

## WHISTLEBLOWING POLICY

This Policy shall be applicable to all employees of the Sharekhan in strict compliance with the applicable local laws and with this document.

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Related Procedures	<ul style="list-style-type: none"> <li>• Group Procedure on management of reputation risks – CG0061EN</li> <li>• General Group Policy on fraud prevention, detection and management – CG0073EN</li> <li>• General Group Policy on corruption – CG0183EN</li> <li>• Procedure relating to the rules governing product sales and client services – CG0075EN.</li> <li>• Whistle Blowing Process – India</li> <li>• Group Financial Security communication dated 15 June 2015</li> </ul>
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## WHISTLEBLOWING POLICY

### **I. SUMMARY**

- 1) The objective of the whistleblowing mechanism is to enable all Employees<sup>1</sup> to report a proven or suspected breach of the Group's Code of Conduct or of a Group policy, procedure or regulation not only to their line manager but also, alternatively, to the Compliance Function of the Entity to which they belong or that of a higher-level Entity.
- 2) This specific reporting channel is established on the basis of strict confidentiality, uses dedicated communication resources and is brought to Employees' attention on the Group's intranet, with instructions on how it should be used. A special-purpose communication channel can be used if the whistleblowing concerns compliance with financial embargoes.
- 3) Employees are entitled, but not obliged, to use the whistleblowing mechanism. Therefore, action taken in good faith by an Employee in connection with the mechanism will not cause the Employee to be penalised in any way.

### **II. INTRODUCTION**

The BNP Paribas Group has demanding requirements in the sphere of internal control and compliance across its businesses. This is one of the factors underpinning its sustainability and reputation. All Employees are involved in meeting these requirements: they must ensure that at all times they act in strict compliance with the key principles of the BNP Paribas Code of Conduct, with Group policies and procedures, and with all applicable regulations.

For its part, the Group must provide staff with the means to meet these requirements by enabling them to seek advice, raise questions and report any irregularities or malfunctions that they might find.

In this context, Employees who reasonably believe that a transaction or proposed transaction that they know about directly or indirectly, or an order transmitted to them, breaches one or more of the principles of the Code of Conduct or violates an external or internal rule, must notify their direct or indirect hierarchical manager. This is the usual procedure. If Employees wish to use a different channel, they can use the whistleblowing mechanism and contact the Head of Compliance of the Entity in which they work or a higher-level Entity (e.g. at the Core Business level). If they consider it necessary, they can refer the issue to the Group Compliance Function.

The scope of the whistleblowing mechanism covers, but is not limited to, disclosures involving fraud and corruption, compliance with regulations on money laundering and terrorism financing, financial embargoes and the protection of client interests. For specific disclosures related to compliance with financial embargoes, a special whistleblowing channel has been set up.

This procedure enables every employee to submit questions concerning the risks of compliance failure that he may encounter. The procedure focuses on five basic principles of compliance, which must be observed in all transactions or operations without exception.

The BNP Paribas Global Policy on Whistle-blowing is related to the 'Five Basic Principles of Compliance' which must be respected in all transactions or operations, without exception:

- 1) Not to harm the Group's reputation,
- 2) Not to adversely affect the Group,
- 3) To comply with the Legal, Regulatory, Professional and Ethical obligations, and the Group procedures,
- 4) To comply with the integrity of the markets,
- 5) To ensure that customers' interests are paramount.

<sup>1</sup> An **Employee**: an individual who works at Sharekhan on a permanent or temporary basis, under an employment contract, secondment, assignment or an equivalent contractual basis abroad. For the purpose of this policy, temporary staff and trainees are treated as Employees.

### III. BACKGROUND

This Whistle-Blowing Policy is applicable to all the employees of Sharekhan Ltd.

### IV. FRAMEWORK (EXCEPT THE SPECIFIC CASE OF COMPLIANCE WITH FINANCIAL EMBARGOES)

Subject to the specific case of whistleblowing that is, or could be, related to compliance with financial embargoes (see section V below), the Compliance Function's role in the whistleblowing procedure, whether at the Group level or at the level of an individual Entity, is defined within a framework that provides for:

- i. A declaration by the Employee that he/she is taking action under the whistleblowing mechanism.
- ii. The possibility for Employees to request that the Compliance Function (Entity, Core Business, Group, etc.) keep their disclosure strictly confidential and provide them with a copy of the report drafted by Compliance following their disclosure.
- iii. If the whistleblowing is escalated to the Head of an Compliance Function (Sharekhan), the systematic, immediate drafting by the latter of a report, to be transmitted without delay to the Group Compliance whistleblowing manager, so that further action can be determined, if necessary, in the event that an immediate response could not be provided.
- iv. The appointment, at the level of the Group Compliance Function, of a single individual responsible for the whistleblowing mechanism, who, in this role, reports directly to the Head of the Group Compliance Function.
- v. The setting up of dedicated communication channels by the Group Compliance Function: a recorded telephone line<sup>4</sup>, specific postal and email addresses and a reception desk, providing the necessary discretion for confidential meetings and exchanges to take place.
- vi. The systematic, immediate drafting by the Group Compliance Function's whistleblowing manager of a report for the Head of the Function, which must be strictly confidential if the whistleblowing procedure, is confidential, and of which a copy can be sent to the whistleblower.
- vii. Investigations by the Compliance Function (Group or Sharekhan) if necessary, conducted with the appropriate discretion and, if applicable, with the support of other specialists or the General Inspection Function. Under no circumstances must whistleblowers take it upon themselves to carry out investigations.
- viii. Feedback provided as soon as possible to the whistleblower, in order to provide a response to the concerns raised and inform him/her, if appropriate, of actions taken.
- ix. This whistleblowing mechanism is brought to the attention of all Employees directly on the Group intranet homepage or the local equivalent for Entities not connected to the intranet. This homepage provides instructions on how Employees should use the mechanism.

### V. THE SPECIFIC CASE OF COMPLIANCE WITH FINANCIAL EMBARGOES

- i. Besides the mechanism's application as set out in section IV above, whistleblowers' disclosures within the Group concerning the proven or suspected breach of a financial embargo must systematically be transmitted to Group Financial Security. Within Sharekhan Compliance, Group Compliance, Group Financial Security - Paris and Group Financial Security - US have each appointed a representative responsible for receiving whistleblowers' disclosures.
- ii. The managers in charge of whistleblowing mechanisms in Group Entities (including Group Compliance) must forward all disclosures related to US dollar transactions to the New York representative, while disclosures relating to other currencies must be transmitted to the representative in Paris.
- iii. If there is any doubt, particularly concerning complex transactions involving several currencies, the disclosures in question must be sent to both the Paris and the New York representative.
- iv. Alongside the existing whistleblowing channels, a special-purpose channel ["the BNP Paribas Sanctions Whistleblower hotline"](#) has been put in place in New York, linked directly to Group Financial Security - US, so that any disclosures relating to a proven or suspected breach of a financial embargo can be received directly. This special, multi-lingual channel can be used by all Group Employees.
- v. The provisions set out in section IV, points vi to ix, also apply to this special-purpose channel.
- vi. An Employee wishing to report embargo-related misconduct can do so either using the usual whistleblowing channels, in compliance with the rules set out in section IV, or by using the special channel set up in New York.

## VI. EXERCISING WHISTLEBLOWING RIGHTS

Employees are entitled, but not obliged, to use the whistleblowing mechanism. Therefore, any action taken in good faith by an Employee in connection with the mechanism will not cause the Employee to be penalised in any way.

Employees cannot be penalised or subject to discriminatory measures, directly or indirectly, in terms of recruitment, remuneration, promotion, training, assignment or re-assignment for having reported or disclosed, in good faith, violations of the Group Code of Conduct, Group policies and procedures, or applicable regulations that they became aware of through the performance of their duties. The Group Compliance Function, in collaboration with the Group Human Resources Function, shall ensure that this provision is complied with.

Employees are entitled to whistleblower protection, as defined in the paragraph above, only with respect to the effects of their disclosure. They will not be protected against the effects of misconduct or errors made prior to, or unrelated to, their disclosure.

A whistleblower who acts in bad faith, with malicious intent, or in the knowledge that any of the alleged facts are inaccurate, will be subject to the penalties laid down in the applicable regulations.

## VII. ESTABLISHMENT OF THIS WHISTLEBLOWING MECHANISM

This whistleblowing mechanism is established incorporating all the requirements imposed by local regulations. Any “Whistle-blowing” or “Protected Disclosures” or similar scheme as may be formulated by the Securities Exchange Board of India or by any other regulatory authority as applicable to the Sharekhan Group activities in India and any additional avenues available there under shall become automatically applicable and available immediately or within the time frame prescribed thereby.

## VIII. CONTROLS

The control points set up to ensure that an appropriate system to monitor whistleblowing procedures within the Group is established and maintained are described in the procedure “Control Plans - Professional Ethics”.

## IX. CONTACT DETAILS

The employee can raise their concern or blow whistle in writing giving background and the concern and the reasons for the concern as per the following information:

Mr. Joby John M, Head - Compliance	Sharekhan Ltd, 10TH Floor, BETA , Lodha iThink Techno Campus, Off JVLR, Opp. Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai-400042 Telephone : 91-22-61042916 Email: <a href="mailto:whistleblowing@sharekhan.com">whistleblowing@sharekhan.com</a>
Group Compliance, Group Financial Security – NY	<b>Link for Reporting a concern under GFS-US</b> <a href="https://secure.ethicspoint.com/domain/media/en/gui/43721/index.html">https://secure.ethicspoint.com/domain/media/en/gui/43721/index.html</a>