



SBI CARDS AND PAYMENT SERVICES LTD

Vigil Mechanism Policy

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1. Context:

SBI Cards and Payment Services Limited (hereinafter “SBICPSL”) has formulated Code of Conduct and Compliance Policy which requires Directors, Officers and Employees to observe high standard of business and personal ethics in conduct of their duties and responsibilities. As Employees/Directors/Officers and representatives of the Company, they must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. The Company seeks to encourage an open, ethical and compliant culture and welcome employees sharing their genuine concerns regarding substantive risks, wrong-doing or non-compliance to help achieve this aim.

Pursuant to Section 177 of the Companies Act, 2013 read with rules made thereunder, Regulation 4(2)(d)(iv) and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) requires specified company to establish a vigil mechanism policy for Directors and Employees and other stake holders to report genuine concerns. It has also been prescribed that the vigil mechanism should also provide for adequate safeguards against victimization of Director(s) or Employee(s) or any other person who use such mechanism and should have provisions for direct access to the Chairperson of the Audit Committee, in appropriate or exceptional cases.

Further, Regulation 4 (2)(d)(iv) of the Listing Regulations, inter alia, provides entities shall devise an effective vigil mechanism /whistle blower policy enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

This Vigil Mechanism Policy is framed in compliance with above said statutory/regulatory requirements and to put in place an appropriate framework for this purpose.

2. Objective:

The purpose of the Vigil Mechanism Policy is to enable a person who observes an unethical practice/non-compliance to approach the Company without necessarily informing their supervisors, if they so choose. The policy aims to

- a. Provide an environment/integrity culture where every employee, Director and other Stakeholder feels empowered to raise policy violations and integrity concerns and has the confidence that those concerns will be addressed without retaliation.
- b. Maintain ability for employees to raise concerns without fear & foster a productive environment.

- c. Ensure an objective process to investigate concerns promptly and in alignment with the Corrective Action Policy
- d. Take prompt corrective action to fix identified compliance and other system weaknesses.
- e. Establish accountability for actions/closure of corrective actions.
- f. Ensure appropriate closure with complainant.

This Policy governs reporting and investigation of allegations of suspected serious irregularities within the Company. This Policy assures protection to the Employees/Directors/Officers and other stakeholders raising a concern about such irregularities from any negative consequences. In all instances the appropriate investigation process would be followed.

This Policy recognizes the possibility for leakage or abuse of information relating to complaints which may risk reputation. The Policy therefore requires the strictest confidentiality to be maintained in all respects (i.e. that there is an allegation, what is alleged, who has or may have made the allegation and against whom) and by all parties. It is further clarified that the Policy neither releases Employees/Directors/Officers from their duty of confidentiality in the course of their work¹, nor is it a route for taking up grievances about personal matters. Requests of a personal nature shall not be entertained through this mechanism and any complaints which are found to be motivated may lead to the invocation of disciplinary procedures as per Company policies.

This Policy should be read in conjunction with existing instructions of the Government of India issued from time to time under Companies Act, 2013, the Listing Regulations and/or any other provisions as applicable to the Company.

3. How Vigil Mechanism Policy helps better Corporate Governance

This Policy seeks to improve Corporate Governance by fostering a compliant and ethical culture through:

¹ In the Company/SBICPSL, all employees are under an obligation not to make any unauthorized use or disclosure during or subsequent to his employment of any knowledge or information of an unpublished confidential or proprietary nature in respect of SBICPSL and SBICPSL's customers and/or their service providers or their designs, methods, systems, improvements, trade secrets or other private or confidential matter and its customers, generated or acquired by him/her during the course of his/her employment.

1. Early detection of wrong doings, frauds, wastages, illegal activities and significant risks;
2. Bringing in an extra check on compliance with Code of Conduct and applicable laws.

To this intent, genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment.

4. **Definitions:**

The definitions of some of the key terms used in this Policy are given below.

Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

- a. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act read with Regulation 18 of the Listing Regulations and extant RBI Guidelines.
- b. **“Employee”** means all employees of the Company including a trainee and persons on contract (whether working in India or abroad) and deputees and the directors in the employment of the Company.
- c. **“Code”** means the Code of Conduct of the Company.
- d. **“Director”** means directors of the Company as appointed under the provisions of the Companies Act, 2013, .
- e. **“Company”** means SBI Cards and Payment Services Limited.
- f. **“Vigilance Officer”** means the official designated as Vigilance Officer of the Company.
- g. **“Investigators”** means those persons authorized, appointed, consulted or approached by the Vigilance Officer/ Internal Complaints Review Committee (ICRC)/Employees Disciplinary Action Committee (EDAC)/ Chairman of the Audit Committee.
- h. **“Whistle Blower”** means an employee/ Directors on Board of the Company or Officers in the employment of the Company/other stakeholders raising a concern/allegation under this Policy. The whistleblower’s role is that of a reporting party. Whistleblowers are not investigators or finder of facts; neither can they determine the appropriate corrective or remedial action that may be

warranted.

5. **Applicability of the Policy**

All employees and Directors and other Stakeholders of the Company are covered under this policy. If any Whistle Blower observes malpractices or events mentioned herein below, he/she may without any fear of retribution blow the whistle and raise an alarm. The Policy presumes that all SBICPSL Employees/Directors/Officers will follow the Code of Conduct/Compliance Policy of the Company as may be applicable.

Coverage & Malpractices and events:

1. Breach of SBICPSL Compliance Policy /Code of Conduct/ any other Policies of the Company
2. Misuse/abuse of official position/ authority including but not limited to:
 - a) discrimination
 - b) harassment
 - c) conflict of interest (abuse or wrongful non-disclosure)
 - d) transactions with related parties (abuse or wrongful non-disclosure)
 - e) illegal payments
3. Corruption
4. Misuse/abuse of official position
5. Manipulation of Company data/records
6. Financial irregularities, including fraud, or suspected fraud
7. Deliberate violation of law/regulation
8. Breach of contracts
9. Negligence causing substantial and specific danger to public health and safety
10. Criminal offence
11. Instances of leak of Unpublished Price Sensitive Information (UPSI)
12. Any other act/matter which affects the interest of the Company adversely and has the potential to cause financial or reputational loss to the Company

Exclusions: Decision taken by the Board/Committees established by the Company, policy decisions of the Company and any customer complaint received in the normal

course of business shall be outside the provisions of this Policy.

The provisions of this Policy shall be in addition to, and not in derogation of, the provisions of any other Policy of the Company for the time being in force.

6. Reporting Mechanism

1. All concerns/allegations should be addressed to the Vigilance Officer of the Company for investigation.

The contact details of the Vigilance Officer are:

Email: Priya.gill@sbicard.com Courier addressed to: The Vigilance Officer, SBICPSL, 10th Floor, Infinity Tower C, DLF Cyber City, Gurgaon

2. In case, the Whistle Blower has reason to believe that the concern / allegation is against the Vigilance Officer, the complaint can be addressed to Managing Director & Chief Executive Officer of the Company. The contact details of MD & CEO are:

Email: sbicards.ceodesk@sbicard.com

Courier addressed to: MD & CEO, SBICPSL, 1st Floor, Infinity Tower B, DLF Cyber City, Gurgaon

3. In exceptional circumstances, the allegation may be sent to the Chairperson of the Audit Committee. The contact details of Chairperson of the Audit Committee are:

Email: chairmanacb@sbicard.com

Courier addressed to: Audit Committee Chairman through MD & CEO, SBICPSL, 1st Floor, Infinity Tower B, DLF Cyber City, Gurgaon.

4. The concern / allegation should preferably be reported in writing via e-mail (giving reference to 'Vigil Mechanism Policy') so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English. Alternatively, concern / allegation can also be reported by phone (giving reference to Vigil Mechanism Policy).

The concern / allegation should be forwarded under a covering letter along with a proof of identity of the Whistle Blower. Where concern is raised over telephone necessary information for verification of identity should be given. The Vigilance Officer or other recipient of the concern / allegation, as the case may be, shall detach the covering letter and proof of identity and forward only the concern / allegation to the ICRC for further action on the complaint. In case, the identity of Whistle Blower cannot be ensured, the complaints will be treated as anonymous/pseudonymous complaints and will not attract further action. However, if the complaint establishes verifiable facts, ICRC will review

for investigation of such cases along with the report on accepted and rejected cases.

5. The concern / allegation should be factual and not speculative or in the nature of a conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern. Where possible, the report should describe the nature of the suspected violation; reasons for believing there is a serious wrong-doing; the identities of persons involved in the suspected violation; whether matter has already been reported and if so to whom and the outcome; a description of documents that relate to the suspected violation; whom to contact for more information and the time frame during which the suspected violation occurred.
6. All allegations received under this policy shall be enquired under the supervision of the ICRC and be reported to the Audit Committee after placing the same to the EDAC.

In case of any complaint relating to any director/CEO of the Company, the matter shall be referred directly to the Chairperson of the Audit Committee and the Audit Committee shall decide and provide for the enquiries / investigation to be made and assess the allegation. The Director named in the allegations shall recuse himself/herself from the proceeding of the Committee.

7. Investigation Process

All concerns/allegations reported under this Policy will be promptly and thoroughly investigated as per the process defined in Corrective Action Policy of the company.

- a. The identity of the Whistle Blower should be maintained in confidence and should not be disclosed even to the investigators unless required for investigation. In case additional information is required to be collected from the Whistle Blower, it should be obtained through Vigilance Officer/ person identified by EDAC for the purpose.
- b. In case the disclosure made does not have any specific and verifiable information, the EDAC will be authorized not to take any action. This would be suitably recorded and placed before the Audit Committee.
- c. The Company reserves the right, and may have a legal obligation, to refer any concerns or complaints regarding malpractices to appropriate external regulatory or statutory authorities, where required.
- d. For certain matters, such as allegations of material frauds or misstatements in the accounts, the Chief Financial Officer or the Chairperson of the Audit Committee on

due information from EDAC may inform and consult the statutory auditors at the appropriate stage, if required.

- e. No investigation shall arrive at an adverse finding against anybody without giving them a full and fair opportunity to be heard and to present evidence in their defense. No allegation of wrong doing against a Staff Member/Director/Officer shall be considered sustained unless at a minimum, a preponderance of the evidence supports the allegation. This does not however limit in any way SBICPSL right to hand over an investigation to an appropriate regulatory/statutory authority where this is deemed appropriate.
- f. All Employees/Directors/Officers have a duty to cooperate in the investigation of concerns/allegations reported and shall be subject to strict disciplinary action up to and including immediate dismissal as per applicable laws, if they fail to cooperate in an investigation, or deliberately provide false information during an investigation.
- g. The action taken against the subject/employee as stated in this Policy will be in addition to any other action or prosecution which may be initiated against said subject/employee under any statute or law in force.
- h. If, at the conclusion of its investigation, the Company determines that a violation has occurred, or the allegations are substantiated, the Company will take remedial / disciplinary action as the case may be. The Company will take reasonable and necessary measures to prevent any further violations which may have resulted in a complaint being made.
- i. The independent directors shall ensure that the company has an adequate and functional vigil mechanism and that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.

8. Protection to Whistle Blowers

The Company will protect the confidentiality of the complainants and their names/identity will not be disclosed except as statutorily required under law.

- a. No adverse action shall be taken or recommended against any employee in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. It will be ensured that the Whistle Blower is not victimized for making the disclosure.
- b. In case of victimization in such cases, serious view will be taken including disciplinary action on such persons victimizing the Whistle Blower.
- c. Identity of the Whistle Blower will not be disclosed to investigating official

unless required for investigation.

- d. If any person is aggrieved by any action on the ground that he is being victimized due to the fact that he had filed a complaint or disclosure, he may report the same to the Audit Committee seeking redressal in the matter.

9. **Review of Status Report**

The Vigilance Officer shall submit a status report to the Audit Committee and any other information relating to the disclosures received under the Vigil Mechanism policy on quarterly basis. The status report would include the following:

- a. The status of the disclosure received during the present and prior period and action taken thereon.
- b. The special areas which need focused attention.

10. **Remedies & Discipline**

If the Audit Committee/ EDAC determines that non-compliance has occurred or a Malpractice is proved, same will be actioned in accordance with the Corrective Action Policy of the company

11. **Confidentiality & Protection**

The Company will protect the confidentiality of the complainants and their identity. The issues raised by the Whistle Blowers shall be kept confidential by the Employees Disciplinary Action Committee and the enquiry team. No action shall be taken against an Employee/Director/Officer who makes any disclosure in good faith. The Employees Disciplinary Action Committee's decision shall be recorded providing a summary of concern, the date it was raised, the investigator assigned, periodic updates, the findings, the date of closure of the case and corrective action taken, if any and records shall be maintained by Vigilance Officer for a period of seven years.

The Whistle Blower of a concern/allegation shall be entitled to the following protections:

- (i) To the extent possible within the limitations of the law and requirements of the investigation, the identity of the Whistle Blower shall be kept confidential by the ICRC/ Employees Disciplinary Action Committee, Investigator(s) and the Audit Committee and shall not be disclosed unless such disclosure is necessary for proper investigation. Any such disclosure, if made, for the purpose of a proper investigation shall carry with it a caveat of secrecy and

non-disclosure by the recipient, so that any further unauthorized disclosure by such person of the identity of the Whistle Blower shall constitute a breach of the Code of Conduct, applicable to such person; and

- (ii) Protection of the Whistle Blower against victimization. The Company assures that any genuine Whistle Blower shall not be victimized and has set up appropriate processes to ensure this.

12. **Disqualifications from protection**

- a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of any false or bogus allegation made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.
- c. In case of repeated frivolous complaints being filed by a Director or an Employee, the audit committee may take suitable action against the concerned Director or Employee including reprimand.
- d. This policy does not protect an employee from an adverse action which occurs independent of his/her disclosure under this policy such as, alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

13. **Implementation of the Policy**

A copy of the policy shall be uploaded on the website of the Company. The details of establishment vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee, shall be included in the Annual Report of the Company.

14. **Amendment**

The policy shall be reviewed at Biennial (once in two years) interval by the Board with recommendation of Audit Committee of the Board. Consequent upon any changes in law/rules/regulation/regulatory guidelines etc., such changes shall be deemed to be a part of the policy and same shall be placed before the Audit Committee/Board for ratification/approval.

Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislations, rules, regulations or laws the provisions of such law, legislation, rules, regulation or enactment shall prevail over this Policy.