

CSE WHISTLE BLOWER POLICY

Preface:

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Company is committed to developing a culture where it is safe for all stakeholders including directors and employees to raise concerns/alarm on issues involving malpractices, violation of law of the land, abuse of power, financial irregularities or violation of code of conduct and violation of regulatory guidelines etc.

The purpose of this Whistle Blower Policy (“Policy”) is to provide a framework to promote responsible and secure whistle blowing. It protects all stakeholders including directors and employees wishing to raise a concern about serious irregularities within the Company from being victimized/ harassed, including by the superiors as also prohibition of leak of unpublished price sensitive information (UPSI).

This policy neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

Applicability:

All stakeholders, directors, employees and any union/ association of employees of The Calcutta Stock Exchange Limited (CSE) are covered under this policy.

Definitions:

“Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.

“Disciplinary Action” means any action that can be taken on the completing of/during the investigation proceedings including but not limiting to a warning, imposition of fine, of suspension from official duties or termination of services or any such action as is deemed to be fit considering the gravity of the matter.

“Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence unethical behaviour, actual or suspected, fraud or violation of the Code or any other unethical or improper activity, abuse of authority by any Director or employee, misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements.

“Whistle Blower” is someone who makes a Protected Disclosure under this Policy.

“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.

Apex Committee: A Committee constituted comprising of the KMPs of the Exchange as per the decision of the Audit Committee or Board.

Coverage of Policy:

Any whistle blower who in good faith, raises concern/discloses factual information on matters of organizational concern to the Audit Committee which the whistle blower believes contains some harmful violation and/or potentially harmful violation with respect to :

1. Abuse of authority
2. Manipulation of company data/records
3. Pilferation of confidential/propriety information
4. Wastage/misappropriation of company funds/assets
5. Breach of contract
6. Negligence causing substantial and specific danger to public health and safety
7. Deficiencies in the internal controls and checks of the Company
8. Financial irregularities, including fraud, or suspected fraud or deliberate error in preparations of financial statements or misrepresentation of financial reports
9. Any other unethical, biased, favoured, imprudent event

Whistle Blower may be any stakeholder including director, employee and union/ association of employees and the concern/disclosure of information must be given in writing duly signed in his/her individual capacity in a sealed envelope to Chairman (Audit Committee), The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata- 700001. A Whistle Blower can raise a concern in the manner prescribed by sending an email addressed to Whistle Blower Id (email id:whistleblower@cse-india.com). It must be substantiated with reasonable evidence. Anonymous letter or letters without supporting facts shall not be covered under the Whistle Blower Policy.

Exclusions:

The complaints received on matters inter alia pertaining to the following may be excluded; however, if received, the same shall be forwarded to the respective department heads/committee available for addressing such matters:

- i. Dissatisfaction with appraisals and rewards or any other grievance mentioned under the Grievance Redressal Committee.
- ii. Sexual harassment (will be referred to POSH Committee of CSE)
- iii. Suggestions for improving operational efficiencies (will be referred to respective department heads/committee)
- iv. Complaints relating to service conditions (will be referred to respective department heads/committee)

Eligibility:

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures shall be in relation to matters concerning the Company.

Frivolous Complaints:

Any employee who makes frivolous complaints without sufficient and reasonable facts leading to evidence in support of his/her concerns will be punishable as may be decided by Audit Committee.

Protection under the policy:

All genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment, harassment, victimization etc. Where the Whistle Blower has any grievance on account of unfair treatment, harassment, victimization etc., he can file his grievance before the Chairman of the Audit Committee. Further, the Whistle Blower shall also be allowed access to the Chairman of the Audit Committee, in exceptional cases, as may be decided by the Chairman of the Audit Committee.

Disqualifications:

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.

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 *malafide* intention.

Whistle Blowers, who make three or more Protected Disclosures within a period of one year, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

Any protected disclosure involving an allegation made after the expiry of seven years from the date on which the action is alleged to have taken place, shall not be considered for preliminary review/investigation.

Investigation:

The Audit Committee will institute and regulate its own conduct of enquiry with the appointed enquiry officer. After the Enquiry Officer receives a Protected Disclosure, he shall make a preliminary enquiry to ascertain whether there is any factual basis to investigate the concerns or grievances raised.

The Enquiry Officer shall update the Chairman of the Audit Committee, from time to time, about all the complaints (including anonymous complaints) received under the whistle blower policy, regardless of them being malafide, malicious or frivolous. The Enquiry Officer shall, upon intimation to the Managing Director/CEO/CGM, conduct an investigation and deliver a written report of its findings in a sealed envelope with a covering letter to the Chairman of the Audit Committee ("Preliminary Investigation Report") within a period of 15 working days from the date of receipt of concerns or grievances. If the Enquiry Officer, as a result of his

enquiry, is of the opinion that the concerns or grievances raised are genuine and requires further investigation, he shall recommend the same to the Chairman of the Audit Committee. All the genuine concerns or grievances recommended by Enquiry Officer will be forwarded by the Chairman of the Audit Committee to Apex Committee, unless otherwise specified by the Audit Committee for further investigation. The name of the Whistle Blower will not be disclosed to the members of the Apex Committee unless required for the purposes of the investigation. The Apex Committee will meet and conduct the investigation in a fair manner, as a neutral fact-finding process without the presumption of guilt. The Apex Committee will complete its investigations and deliver a written report of its findings to the Audit Committee (“Investigation Report”) within 15 working days of receiving the matter from the Chairman of the Audit Committee. In an exceptional case, concerns or grievances can be directly referred to the Chairman of the Audit Committee in a sealed envelope under a covering letter which shall bear the identity of the Whistle blower.

The Apex Committee will include the following details in its Investigation Report: (i) details of the Protected Disclosure; (ii) whether the same Protected Disclosure was raised previously by anyone and if so, the outcome; (iii) financial loss or other loss which has been or would have been incurred by the Company; (iv) its findings; and (v) its recommendations

Investigation Report and Disciplinary Action:

If the Investigation Report reveals that the concerns raised are true/partially true, the Apex Committee shall suggest remedial steps to the Managing Director/ Chief Executive Officer / Chief General Manager of the Company (“MD/ CEO/ CGM”) with the time frame for implementing the remedial steps as well as for taking necessary Disciplinary Action, if any. The MD/ CEO/ CGM will immediately take steps to remove the concerns found in the Investigation Report and take necessary Disciplinary Action as may be warranted. In case Disciplinary Action is recommended in the Investigation Report and/or initiated by the MD/CEO/ CGM, then the Subject may appeal to the Chairman of the Audit Committee within 3 working days of receiving the decision of the MD/CEO/CGM. This application will be made in writing to the Chairman of the Audit Committee. The decision of the Chairman of the Audit Committee shall be final and binding on all concerned.

During the investigation, if it is found that there is no merit in concerns raised by the Whistle Blower, no action will be taken against the Whistle Blower provided the Apex Committee is satisfied that the concerns expressed by the Whistle Blower are not in the nature of a malafide, malicious or frivolous complaint.

Access to Reports and Documents

All reports and records associated with Protected Disclosures are considered confidential information and access will be restricted to the Audit Committee and the Apex Committee. Protected Disclosures, Investigation Reports, or resulting actions will generally not be disclosed to the public except as required by applicable law or by any Company policy in place at that time.

The Whistle Blower, Subject and members of Apex Committee, and everyone involved in the process shall:

- (i) Maintain complete confidentiality of the matter including the identity of the Whistle Blower and, to the extent permissible by applicable law, the identity of the Subject;
- (ii) Not discuss the matter in any informal gatherings or meetings;
- (iii) Discuss only to the extent or with persons required for the purpose of completing the process/ investigations;

- (iv) Not keep the papers relating to the matter unattended anywhere at any time; and
- (v) Keep the electronic mails and files under password. If anyone is found in breach of these confidentiality restrictions, he / she shall be held liable for disciplinary action as the Audit Committee or the Board of Directors of the Company deem fit.

Immunity:

Any employee who acts in good faith while discharging responsibilities and makes a mistake in the process, the same shall not be construed as harmful violation to the detriment of the organization provided such employee makes the case for acting in good faith.

Residual Power:

If there is any doubt on any of the definitions / clarifications required on whistle blower policy the Audit Committee shall be the final authority in deciding the matter.

Retention of documents:

All Protected Disclosures in writing or documented along with the results of investigation relating thereto (including the Investigation Report) shall be retained by the Company for a minimum period of 8 years.

Review/Amendment to Policy:

The Audit Committee and Board shall review the Policy at least once every year and same shall be subject to such amendments as may be carried out by the Exchange either on its own or as directed by SEBI from time to time. Any amendment shall come into force from the date as may be approved by the Board of the Exchange.

Company's Powers

The Company is entitled to amend, suspend or rescind this Policy at any time, with the prior approval of its Board of Directors. While the Company has made best efforts to define detailed procedures for implementation of this Policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedure set out above. Such difficulties or ambiguities will be resolved in line with the broad intent of this Policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and to further the objective of good corporate governance.