

JSFB Whistle-blower Policy

Commissioned by: Chief Compliance & Human Resources Officer

Document Version Control

Version	Date	Document by	Reviewed by	Remarks
1.0	08-Feb-18	Venkatesh Iyer		➤ With Annexure
1.1	08-Aug-18	Namrata Savoor		<ul style="list-style-type: none"> ○ Brief/organised version of previous one Inclusion of: <ul style="list-style-type: none"> ○ SPOC for reporting cases [Clause. 3] ○ Information required during disclosure [Clause.5] Exclusion of annexure – <ul style="list-style-type: none"> ○ Procedure for Reporting Issues ○ Procedure for Handling Reported Issue
1.2	10-May-19	Biju Thomas	Suresh Rao	<p>Revised version: Version 1.0 & 1.1 have now been merged under 1 consolidated policy document under The Jana Whistleblower policy V1.2 with all the important clauses covered as under:</p> <ul style="list-style-type: none"> ○ Consolidated the purpose in details [Clause 1] ○ Changes in Designated Authority and Compliance & ethics committee (CEC – HO & Zonal) [Clause 2] ○ Investigation document retention period changed from 7 years to 10 years [Clause 4] ○ Process for reporting and handling whistleblower cases [Clause 4] ○ Process for investigating complaints made under this policy [Clause 5] ○ Policy Maintenance, Review and Approval [Clause 7]
1.2	May-20	Biju Thomas	Aditya Babu PVN	<ul style="list-style-type: none"> ○ Inclusion: ‘Disclaimer’ ○ Changes in clause 2: ‘Scope’ Compliance & Ethics Committee (CEC) Compliance & Ethics Committee comprises of two bodies – Head Office (HO) CEC and Zonal CEC. Depending on nature of the case, the same will be reviewed by HO or Zonal CEC. For Compliance & Ethics Committee structure refer to ‘JSFB Compliance & Ethics Policy.

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Jana Small Finance Bank ('the Bank') is committed to the high standards of ethics & integrity. The Bank encourages an open culture in all its dealings between staff, managers, customers and all people with whom it comes into contact. The Board of Directors (BoD) and the Senior Management of the Bank are committed to maintenance of high standards of honesty and integrity, and to promoting and maintaining a corporate culture that adheres to these values.

1. Purpose

The **Jana Whistleblower Policy** details the process for employees to 'Speak-up' or 'Blow the Whistle' in confidence about concerns with respect to internal malpractice and/or misconduct within Jana Bank. Such concerns can arise in any of the following areas:

- Criminal offense (e.g. fraud, corruption or theft) committed/ likely to be committed.
- Breach of laws, regulations or bank policies (including the Jana Code of Conduct)
 - Misappropriation
 - Criminal breach of trust
 - Manipulation of books of accounts / records of the organization
 - Opening of fictitious accounts or other KYC/ AML issues
 - Consistent cash shortages
 - Bank funds used in an unauthorized manner.
 - Engaging in any trade or business outside the scope of employment without the consent of the appropriate authority
- Behaviour or conduct which could have an adverse effect on Jana's reputation or financial interests
 - Negligence
 - Cheating
 - Forgery
 - Breach of client promise by the Bank.
 - Actions concerning other staff including but not limited to
 - Sexual or physical abuse of a member of staff, service recipient or service provider.
 - Discrimination against a member of staff, service recipient or service provider on grounds of sex, caste, religion or disability.
 - Actions which endanger the health or safety of employees or the public.
 - Drunkenness or riotous or disorderly behavior or indulgence in betting or gambling or speculation that would affect the reputation of the organization
 - Willful damage or attempt to cause damage to the property of the organization or any of its customers that may lead to financial loss or reputation risk to the organization need to be reported by all persons mentioned in this policy.
- Failure of the bank or an individual employee to comply with a legal or regulatory obligation:
 - Any actions/ procedures/ incidents which may lead to breach of regulations or laws
 - Any actions/ procedures/ incidents which may lead to breach of internal policies and guidelines
- Weakness in controls or systems which can lead to a significant operational risk for the bank:

- Unauthorized disclosure of information regarding the affairs of the organization or any of its customers or any other person connected with the business of the organization which is confidential or the disclosure of which would be prejudicial to the interests of the organization
- Miscarriage of justice occurred / likely to occur
- Wrong delivery of justice or lack of justice to someone in the bank
- Putting health and safety of an individual or individuals in danger
- Deliberate concealment of details/facts relating to any of the above
- Any other concern which can result in a regulatory breach, litigation, financial loss or damage to the reputation of Jana Bank

2. Scope

This policy applies to permanent, part-time, temporary, contract employees, the Board of Directors and stakeholders, and those acting on behalf of the organization, regardless of whether they have been engaged directly or through an agency or a contractor, and whether such employees are working for remuneration or on a voluntary basis. It is expected that this Policy will encourage all the stakeholders to bring to the notice of the Bank any issue involving compromise/ violation of ethical norms, legal or regulatory provisions, etc. without any fear of reprisal, retaliation, discrimination or harassment of any kind.

The policy is primarily for concerns where the interests of external agencies, customers, or other entities dealing with the Bank, other employees or of the organization itself are at risk. Where an employee is aggrieved about her/ his personal position, s/he may use the grievance redressal mechanism enunciated by the Human Resources function.

Definitions

Whistleblowing – Exposing any kind of information or activity which is in the public interest, which is deemed illegal, dishonest, or not correct within the Bank.

Whistle-blower – A person who exposes any kind of information or activity which is in the public interest, which is deemed illegal, dishonest, or not correct within the Bank. In this policy the words ‘Whistle blower’ and ‘informant’ have been used interchangeably.

Subject – Subject or Subject of investigation could be a person or group of people against whom a complaint or issue has been reported.

Designated Authority – Fraud Risk Management (FRM) team and Human Resources (HR) team are authorized to receive complaints/issues/concerns through jana.hotline@janabank.com & investigate the matter under the whistle blower mechanism of the Bank. Compliance and Ethics Committee (CEC) or in some cases the Audit Committee of the Board (ACB) or as delegated by the committee (as the case may be) are authorized to review the investigation report for further action.

Compliance & Ethics Committee (CEC)

Compliance & Ethics Committee comprises of two bodies – Head Office (HO) CEC and Zonal CEC. Depending on nature of the case, the same will be reviewed by HO or Zonal CEC.

For Compliance & Ethics Committee structure refer to 'JSFB Compliance & Ethics Policy'.

3. Protection for the whistleblower

The Whistle Blower will be responsible for reporting reliable information. Whistle Blower shall not act on their own in conducting any investigative activities, nor will they have a right to participate in any investigative activities other than as requested by the Designated Authority or the Audit Committee of the Board (ACB). If one raises a concern under this Policy, s/he shall not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. The Bank's employee shall not be at the risk of losing her/ his job or 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 Whistle Blower's right to continue to perform her/his duties/functions including making further Protected Disclosure, as a result of reporting under this Policy.

Jana Bank will keep the identity of the whistleblower confidential provided the following criteria are fulfilled:

- The communication/disclosure is made in good faith by the whistleblower
- The employee reasonably believes that the information and any allegations contained therein, are substantially true and
- The whistleblower is not acting for personal gain

Jana Bank will not victimize or harass anyone who raises a genuine concern (as listed above) through the whistleblower mechanism.

The whistleblowing process should not be used for personal grievances, including personal HR issues. Similarly, it should not be used for acting in bad faith or for taking revenge against colleagues.

Anyone who stops a colleague from raising a genuine concern or victimizes a colleague for raising a concern or acts in bad faith against a colleague by raising a whistleblower complaint shall be subject to disciplinary action. If considered appropriate or necessary, suitable legal action can also be initiated against such individuals.

Any investigation into allegations of potential misconduct shall not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

Help will be provided to an informant in order to minimize any difficulties, which s/he may experience. This may include advice on giving evidence if needed. If necessary, meetings may be arranged off-site with her/ him, and with s/he being represented, if s/he so wishes.

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.

Whistle blower employees reporting fraudulent activity in an account shall get all protection under the Whistle Blower Policy so that fear of victimization does not act as a deterrent.

Harassment or Victimization

The Bank shall not tolerate the harassment or victimization of anyone raising a genuine concern. A whistle blower can report any violation of this rule to the Compliance and Ethics Committee (CEC), in case the complaint is against any Director and in any other case to the CEO & Managing Director. Such person to whom the complaint is made shall have the responsibility to investigate such a complaint and instruct further action to the management.

Confidentiality

The Bank recognizes that an informant may want to raise a concern in confidence under this Policy. The Bank shall not disclose the identity, without her/ his consent. If the situation arises where the Bank is not able to resolve the concern without revealing the identity (for instance because her/ his evidence is needed in court), bank shall discuss with her/ him about the proposed manner to proceed, and within the confines of statutory requirements endeavor to meet her/ his preferences on revealing the identity.

Anonymous Reporting of Issues

The policy encourages employees to put their names to allegations as appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. In the absence of sufficient information about the identity of the informant the Bank may not be in a position to protect the informant or provide feedback to the informant.

The Bank may consider anonymous reports, at its discretion, this Policy is not well suited to concerns raised anonymously. Concerns expressed anonymously may be investigated, but consideration will be given to:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

Disqualifications

While it will be ensured that whistleblowers will be accorded complete protection from unfair treatment, any abuse of this protection will warrant disciplinary action.

Protection under this policy will not mean protection from disciplinary action arising out of false or bogus allegations made by any whistleblower, knowing fully well that the allegations are bogus and/or false or with a mala fide intention.

Whistleblowers, who make 'protected disclosures' under this policy, which subsequently are found to be mala fide or malicious or whistleblowers who make 3 or more 'protected disclosures' which are found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from making further 'protected disclosures' under this policy.

4. Process for reporting and handling whistleblower cases:

The employee can raise his/her concern through any of the following channels:

- Write to jana.hotline@janabank.com
- Reach out to Line Manager/Business Head /Zonal Head/Branch Manager
- MANCO members, including Chief Compliance Officer/Chief HR Officer/MD&CEO

If the complaint is against the Line Manager or against any of the senior management personnel mentioned above, the whistleblower can write to a level higher. For instance:

- If the complaint is against the Line Manager, then the whistleblower can write to the Zonal Head or Business Head
- If the complaint is against the Chief Compliance Officer, the whistleblower can write to the MD&CEO
- If the complaint is against the MD&CEO, the whistleblower can write to the Chairman of the Audit Committee

Information required during disclosure

At a minimum, all disclosures raised under this policy should provide the following information:

- Date of complaint/disclosure
- Name and designation of person against whom disclosure is being raised
- Details of the disclosure/concerns
- Any incidents which has led to the complaint being raised
- Name and contact details of the whistleblower
- Evidence (if any)

The policy encourages whistleblowers to identify themselves as appropriate follow-up questions and investigation may not be possible unless the source of the information can be identified and contacted. However, disclosures expressed anonymously can also be investigated, on a case-by-case basis.

The requirement for further contact between the complainant and the investigating team will depend on the nature of the issue and the clarity of information provided. Further information may be sought from the complainant.

All employment-related concerns shall continue to be reported through normal channels such as immediate supervisor or the CHRO.

Responsibilities of Designated Authority

Given below are the roles and responsibilities of the designated authority in the whistle blower mechanism

- For confidentiality reasons the designated Authority who receives the complaint shall separate the covering letter from the actual complaint. The covering letter shall be stored in a safe locker/ file marked as 'Confidential' and the actual complaint shall be used for initiating the investigation process.
- The designated authority shall directly or through discreet delegated authority obtain clarifications or specific information from the whistle blower. No other person shall be eligible to obtain information from the whistle blower.
- The identity of the whistle blower shall be kept confidential to the extent possible, given the legitimate needs of law and investigation.
- The designated authority shall use appropriate discretion to entrust the investigation to anyone who they may find deemed fit to conduct the investigations.
- Designated authority shall maintain a record of all the complaints received in the financial year. The complaint shall be recorded immediately on receipt of information and shall cover information such as data of receipt of complaint, nature of misconduct/offense, name of the accused, mode of receipt of complaint. The name of the informant shall be excluded from this record to protect the identity of the informant.

All documents generated during an investigation are to be retained by the designated authority or such other authority as may be specified in clearly marked 'confidential' files for 10 years.

5. Process for investigating complaints made under this policy

The whistleblowing procedure is intended to be used for serious and sensitive issues, based on factual information and not speculation. The procedure for handling reported issues can be segregated into the responsibilities of designated authority and the investigation process. Whistleblower complaints will be investigated by FRM/HR, depending on the nature of the complaint, and will be recommended to the Compliance and Ethics Committee (CEC) for further disciplinary action, where applicable.

Investigation Process

The designated authority shall initiate an investigation only after a preliminary review and only if it is established that the allegation is supported by specific information or that the matter is worthy

of management attention/review. The primary responsibility for the investigation may be given to a chosen individual or an investigation committee based on the nature and seriousness of the issue. The investigation individual or committee may have other chosen representatives to support them in the investigation process.

The **investigating official or committee** shall file a report with the findings of the investigation and maintain records of all supporting evidences. The file along with the evidences shall be handed over to the designated authority and no copies shall be maintained with the investigation team.

During the investigation, the complainant shall be informed of the timeframe within which the designated authority will complete the investigation and arrive at a decision.

All **employees/ directors** shall cooperate with the investigating authority/ committee in the event they are called upon to provide any information/evidence/ interviews. Such employees/ directors shall refrain from discussing matters of the investigation with the subject of the investigation or with any other party not involved with the investigation. Confidentiality of the participants in the investigation process is assured under this policy and they shall be protected against any form of victimization.

The person against whom the complaint is made (Subject of the investigation/Subject) will be notified of the complaint and given an opportunity to present his/her inputs to the investigating team. Subject shall co-operate fully with the investigation and has the right to consult with any person of his/her choice during the investigation. Subject shall not withhold evidence nor interfere with the investigation in any way. Subject shall have the right to be informed of the outcome of the investigation and respond to the findings, if required.

When the investigation is completed, the designated authority shall arrive at a decision, supported by the facts brought out by the investigation and communicate the decision and recommended action to the management.

6. Management responsibility under the policy:

The CEC is responsible for the effective implementation of the whistleblower policy across the bank. A quarterly report will be submitted by the Chief Compliance Officer (CCO) to the CEO and the MANCO. A copy of this report will also be placed before the Audit and Compliance Committees of the Board, detailing the cases received from whistleblowers with actions taken under the same. This report or an abridged version with all salient information is to be placed before the Board in its annual meeting.

7. Policy Maintenance, Review and Approval

The Compliance & Human Resources Department shall be responsible to own, maintain and update this policy. Compliance Department shall engage with relevant business and functional units to make necessary updates to the policy and framework and shall be responsible for the periodic review of the policy and framework. The policy shall be presented to the Compliance and

Ethics Committee (CEC) for recommendation to the Board of Directors for approval through the Audit Committee of the Board on an annual basis.

If any change in this policy is subsequently found necessary, consequent upon any change in regulatory guidelines, market conditions, etc., such changes and approvals shall be deemed to be part of the policy and framework until the policy and framework are comprehensively reviewed. All such changes shall be approved by the Compliance and Ethics Committee (CEC) before it comes into place and subsequently ratified by the ACB. The Bank reserves the right to modify or amend this policy at any time as it may deem necessary.

The ACB shall conduct an independent assessment on overall compliance of this policy and effectiveness of its implementation, at least on an annual basis.

The scope of annual review of the Policy shall take into consideration the following:

- Applicable Laws and regulations introduced since the last review of the policy.
- Feedback on the effectiveness of the policy.
- Supervisory review report or any audit reports.
- Any changes to the business environment which may affect this policy.
- Any changes to the risk management environment which may affect this policy.

8. Policy Effective Date

This policy comes into effect immediately on approval by the Board of Directors of the Bank and shall remain in force till further review by the Board.
