

Vigilance Policy

The purpose of this policy is to eliminate and help to prevent malpractices, to investigate and resolve complaints, take appropriate action to safeguard the interest of the Company and to ensure that any person making a complaint (herein after referred to as “a whistle blower”) is protected, while at the same time actively discouraging frivolous and insubstantial complaints. The Company shall oversee the Vigil Mechanism through its Audit Committee of the Board of Directors of the Company and if any members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the others on the Committee would deal with the matter on hand. This policy seeks to define and establish the mechanism for employees, Directors and stakeholders of IIFL Wealth Prime Limited (formerly known as IIFL Wealth Finance Limited) ('hereinafter referred to as the 'Company') on the framework for reporting instances of unethical/ improper conduct and auctioning suitable steps to investigate and correct the same. Accordingly, this policy details the following:

- Procedure to disclose any suspected unethical and/or improper practice taking place in the Company;
- Protection available to the person making such disclosure in good faith;
- Mechanism for auctioning and reporting on such disclosures to the relevant authority within the Company; and
- Relevant authority and its powers to review disclosures and direct corrective action relating to such disclosures.

1. Preface

- i. 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.
- ii. The Company is committed to develop a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- iii. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees, Directors and Other stakeholders of the Company wishing to raise a concern about serious irregularities within the Company.
- iv. The policy neither releases employees 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.

Scope of Vigil Mechanism

1. To act as an additional internal element of the Company's compliance and integrity policies.
2. Not a substitute for other formal internal arrangements and procedures.
3. Seeks to ensure that anyone who is aware (director/employee/ stakeholder) of a breach of the Company policies and procedures, suspected or actual frauds and embezzlement, illegal, unethical behavior or violation of company's code of conduct or ethics etc., feels free to bring this to the attention of appropriate personnel in the Company, without fear of victimization, harassment or retaliation.

2. Applicability of Policy

This policy is applicable to the following:

- a. All the Directors of the Company
- b. All Employees of the Company; and
- c. All other stakeholders of the Company.

3. Definitions

- i. "Act" means the Companies Act, 2013 r/w relevant rules, as amended from time to time.
- ii. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act. .
- iii. "Board" means the Board of Directors of the Company;
- iv. "Company" means IIFL Wealth Prime Limited
- v. "Disciplinary Action" means any action that can be taken on the completion of during the investigation proceedings including but not limited 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.
- vi. "Directors" means all the directors of the Company.
- vii. "Employee" means every employee on the permanent or temporary rolls of the Company (whether working in India or abroad).
- viii. "Ethics Committee" means a Committee responsible for ensuring investigation and also referred as "Relevant Authority" under this policy.
- ix. "Fraud" in relation to affairs of a company or any body corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss.

- x. "Investigation Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- xi. "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.
- xii. "Whistle Blower" is someone who makes a Protected Disclosure under this Policy.

4. The Guiding Principles

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- i. Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- ii. Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- iii. Ensure complete confidentiality.
- iv. Not attempt to conceal evidence of the Protected Disclosure;
- v. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- vi. Provide an opportunity of being heard to the persons involved especially to the Subject.

5. Coverage of Policy

- I. The Policy covers malpractices and events which have taken place/ suspected to take place involving:
 - i. Abuse of authority
 - ii. Breach of contract
 - iii. Negligence causing substantial and specific danger to public health and safety
 - iv. Manipulation of the Company data/records
 - v. Financial irregularities, including fraud, or suspected fraud
 - vi. Criminal offence
 - vii. Pilferation of confidential/propriety information
 - viii. Deliberate violation of law/regulation
 - ix. Any violation of applicable law and regulations to the Company, thereby exposing the company to penalties / fines
 - x. Wastage/misappropriation of company funds/assets
 - xi. Breach of employee Code of Conduct or Rules

- xii. Any other unethical, biased, favoured, imprudent event which does not confirm to approved standard of social and professional behavior or a grievance about a personal situation.

The above list of only illustrative and should not be considered as exhaustive.

- II. This Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

6. Disqualifications

- i. 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.
- ii. 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 *mala fide* intention or a grievance about a personal situation.
- iii. 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 Company's Code of Conduct.

7. Manner in which concern can be raised

- i. Appropriate procedures shall be put in place to facilitate the implementation of this policy.
- ii. Ethics Committee shall implement adequate reporting mechanism for ease and timely reporting.
- iii. Necessary awareness among all employees' in all cadres shall be created and make those concerned/affected known on the Company's policies.
- iv. Whistle Blower can make Protected Disclosure under this mechanism by writing at email id i.e. nbfc-compliance@iiflw.com, as soon as possible, after becoming aware of the suspected or actual frauds and embezzlement, illegal, unethical behavior or violation of company's code of conduct or ethics etc.
- v. If initial enquiries undertaken under this mechanism indicates that the concern has no basis, or it is not a matter of investigation, it may be dismissed at this stage and the basis for such dismissal will be recorded and such decision will be documented.
- vi. Where initial enquiries indicate that further investigation is necessary/ where the case does not qualify for dismissal, this will be carried through the ethics committee. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written

report of the findings would be made by the ethics committee and such report shall include following: -

- Facts of the matter.
 - Whether the Protected Disclosure was raised previously by anyone or not, and if made, the outcome thereof;
 - Whether any Protected Disclosure was raised previously against the same Investigation subject.
 - The financial/ otherwise loss which has been incurred/ would have been incurred by the Company.
 - Findings of the Ethics Committee.
 - Impact Analysis (If applicable).
 - Recommendations of the Ethics Committee in the disciplinary/ other action/(s).
 - The timeline for final decision of investigation shall be not exceeding 30 days from the date of receipt of the concern. Ethics Committee for the purposes of this Policy and implementation of Whistle Blower Mechanism may appoint Investigating Officer or seek external / professional advice.
- a. In case the Protected Disclosure is proved, accept the findings of the Investigating Authority / Ethics Committee and take such Disciplinary Action as Ethics committee may think fit and take preventive measures to avoid reoccurrence of the matter;
- b. In case the Protected Disclosure is not proved, extinguish the matter and take note of same;
- c. Depending upon the seriousness of the matter, Ethics committee may refer the matter to the Audit Committee with proposed disciplinary action/counter measures. The Audit Committee may decide on the action. In case the Audit Committee thinks that the matter is too serious, it can further place the matter before the Board with its recommendations. The Board may decide the matter as it deems fit.
- d. In case of repeated frivolous complaints being filed by a director or an employee or any stakeholder, the audit committee may take suitable action against the concerned director or employee or stakeholder, if any, including reprimand.
- e. Conclusion of Ethics committee findings shall be communicated to the Whistle Blower.
- vii. In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, s/he can make a direct appeal to the Chairman of the Audit Committee by writing at below mentioned address:

To,
The Chairman of the Audit Committee
IIFL Wealth Prime Limited
6th Floor, IIFL Centre, Kamala City,
Lower Parel (West),
Mumbai – 400 103

8. Protection

- i. No unfair treatment will be caused to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.
- ii. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior 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.
- iii. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in any disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- iv. The identity of the Whistle Blower shall be kept confidential.
- v. Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

9. Secrecy/Confidentiality

The Whistle Blower, the Investigation Subject, the ethics committee and everyone involved in the process shall:

- i. maintain complete confidentiality/ secrecy of the matter
- ii. not discuss the matter in any informal/social gatherings/ meetings
- iii. discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- iv. not to keep the papers unattended anywhere at any time
- v. keep the electronic mails/files under password
- vi. a record of complaints, conclusion, actions etc, if any, shall be maintained by the Company.

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

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee.

11. Amendment

The Company reserves the right to amend or modify this policy in whole or in part, at any point of time. Any amendment to the policy shall take effect from the date when it is approved by the Audit Committee / Board of Directors of the Company.