



SHARE MICROFIN LIMITED

WHISTLE BLOWER POLICY

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1. INTRODUCTION

Section 177 of the Companies Act, 2013 and the rules thereunder, prescribe that (a) every listed company; (b) the companies which accept deposits from the public; and (c) the companies which have borrowed money from banks and public financial institutions in excess of rupees fifty crore, shall establish a whistleblower policy / vigil mechanism for the directors and employees to report genuine concerns or grievances about illegal or unethical behavior, actual or suspected fraud or violation of the Company's Code or fair practices code.

Any actual or potential violation of the Company's Code or fair practices code, however significant or perceived as such would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of directors and employees who avail of such mechanism and also make provisions for direct access to the Chairperson of the Audit Committee.

SHARE in compliance with the provisions of Section 177 of the Companies Act, 2013, is adopting the whistleblower policy for the directors and employees to report genuine concerns or grievances.

2. OBJECTIVES AND APPLICABILITY

2.1 OBJECTIVES OF THE POLICY

The Company is committed to adherence of highest standards of ethical behavior, moral, and legal conduct of business. To maintain these standards, the Company encourages its Employees who have concerns about suspected misconduct, to come forward and express these concerns.

A whistleblower (Vigil) mechanism provides a channel to any stakeholder including employees to report to the management concerns about illegal or unethical behavior, actual or suspected fraud or violation of the Code or Policy and misrepresentation of any financial statements and reports etc., and also provides for adequate safeguards against victimization of Employees & Directors by giving them direct access to the Chairman of the Audit Committee in exceptional cases.

This 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 against people in authority and / or colleagues in general.

The Company is entitled to amend, suspend or withdraw this Policy at any time. Whilst, the Company has made its 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 procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the Policy. The Company may also establish further rules and procedures from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance. This Policy will be reviewed periodically by the Board.

2.2 APPLICABILITY

This Policy intends to cover serious concerns that could have impact on the operations and performance of the business of the Company and malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulation, negligence, causing danger to public health

and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by Whistleblowers concerning its Employees. The Policy neither releases Employees from their duty of confidentiality in the course of their work, nor is it a route for taking up grievance about a personal situation.

2.3 DEFINITIONS

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

“Board” or “Board of Directors” shall mean the Board of Directors of the Company, as constituted from time to time.

“Company” means the SHARE MICROFIN LIMITED.

“Director” shall mean a member of the Board of the Company.

“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, termination, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

“Employee” means every employee of the Company (whether working in either of the Company’s office locations across India) including the Directors in the employment of the Company.

“Good Faith” An employee shall be deemed to be communicating in good faith if there is a reasonable basis for the communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct was malicious, false, or frivolous.

“Policy” shall mean this whistleblowers policy of the Company.

“Stakeholders of the Company” means all the clients, employees, the authorized persons of the banks that lent to the Company or any Vendor Individual or authorized person of the vendor institution or Vendor Company or entity associated with the “Company”.

“Vendor Individual or Vendor Company” means either an individual or a body corporate, which has association with the Company for providing or obtaining services from the Company through a MoU or mutually agreed terms.

“Code” means the Code of Conduct of the Company.

“Investigators” means the persons authorized, appointed, consulted or approached by the Managing Director / Chairman of the Audit committee and includes the auditors of the Company and the police.

“Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

“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.

“Whistleblower” includes all stakeholders including an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this Policy as “complainant”.

3. ELIGIBILITY

Various stakeholders of the Company are eligible to make Protected Disclosures under this Policy. These stakeholders may fall into any of the following broad categories:

- a) Employees of the Company
- b) Directors
- c) Employees of other agencies deployed for the Company’s activities, whether working from any of the Company’s offices or any other location
- d) Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company
- e) Customers of the Company
- f) Shareholders of the company
- g) Any other person having an association with the Company

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy. The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- a) Abuse of authority
- b) Breach of contract
- c) Negligence causing substantial and specific danger to public health and safety
- d) Manipulation of Company data/records
- e) Financial irregularities, including fraud or suspected fraud or/and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
- f) Any unlawful act whether criminal/ civil
- g) Perforation of confidential/propriety information
- h) Deliberate violation of law/regulation
- i) Wastage/misappropriation of Company funds/assets
- j) Breach of Company policy or failure to implement or comply with any approved Company policy
- k) Collecting commissions & bribe
- l) Personal relations or monetary exchanges with the clients
- m) Dual employments or involving in business of same nature
- n) Other activities or practices which are unlawful or against the policies

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

4. DISQUALIFICATIONS

1. While it will be ensured that genuine Whistleblower is accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary actions.
2. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by Whistleblower, knowing it to be false or bogus or with a mala fide intention.
3. Whistleblowers, who make ten or more Protected Disclosures, 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 Whistleblower, the Company / Managing Director / Audit Committee would reserve its rights to take recommend appropriate disciplinary actions.

5. PROCEDURE

1. All the Protected Disclosures should be addressed to the Managing Director of the Company or Chairman of the Audit Committee for investigation.
2. If the Protected Disclosure is received by any executive of the Company other than Managing Director or Chairman of the Audit Committee, the same should be forwarded to the Managing Director or Chairman of the Audit Committee, as applicable for further appropriate action and appropriate care must be taken to keep identity of the Whistleblower confidential.
3. Protected Disclosures should preferably be reported in writing, so as to ensure clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or any regional language of the place of the employment of the Whistleblower. Letters can be submitted by hand, sent by courier or by post addressed to the Managing Director or Chairman of the Audit Committee addressed to the Corporate Office of the Company. Email can also be sent to **info@sharemicrofin.in**
4. The Protected Disclosure should be forwarded under a covering letter which may bear the identity of the Whistleblower. The Managing Director or Chairman of the Audit Committee, as the case may be, shall detach the letter containing details of Whistleblower, and forward only the Protected Disclosure for investigation purposes.
5. Protected Disclosures should be factual and not speculative or in the nature of a conclusion and should contain as much specific information along with documents/data supporting the disclosures as possible to allow for proper assessment of the nature and extent of the concern and the urgency of preliminary investigation procedures.
6. The Whistleblower may disclose his / her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will also be entertained.
7. The Managing Director or Chairman of the Audit Committee will proceed to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the disclosure constitute a malpractice by discussing with the Audit Committee of the Company (if required). If the Managing Director or Chairman of the Audit Committee determines that the allegations do not constitute a malpractice, it will record with reasons and be communicated to the Whistleblower.
8. If the Managing Director or the Chairman of the Audit Committee determines that the allegations constitute a malpractice, the Managing Director or Audit Committee will proceed to investigate the disclosure. If the alleged malpractice is required by law to be dealt with under any other mechanism, the Managing Director shall refer the disclosure to the appropriate authority under such mandated mechanism and seek a report on the findings from such authority.

6. INVESTIGATIONS

1. All the Protected Disclosures reported under this Policy will be thoroughly investigated by the Managing Director / Chairman of the Audit Committee of the Company, who will investigate / oversee the investigations under the authorization of the Audit committee.

If any member of the Audit Committee has a conflict of interest in any given case, then he / she should recuse himself / herself, and the other members of the Audit Committee shall deal with the matters on hand.

2. The Managing Director / Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purposes of investigation.
3. Subject will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
4. The investigation may involve study of documents and interviews with various individuals. Any person who is required to provide any document, access to systems and other information for the purpose of such investigation shall do so.
5. Individuals with whom the Managing Director or Chairman of the Audit Committee requests an interview for the purposes of such investigation shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.
6. If the malpractice constitutes a criminal offence, the Managing Director will bring it to the notice of the Board of Directors and take appropriate action including the option of reporting the matter to the police and to file criminal complaints or applications before the appropriate courts or tribunals.
7. The decision to conduct an investigation by the Managing Director / Chairman of the Audit committee is by itself not an accusation and is to be treated as a neutral fact finding process. The outcome of the investigation may not support the conclusion of the Whistleblower that an improper or unethical act was committed.
8. The identity of the Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
9. Subject will normally be informed of the allegations at the outset of a formal investigation and will be given an opportunity to provide his/her explanation or clarification against the allegations during the investigation.
10. Subject shall have a duty to cooperate with the Managing Director / Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such cooperation will not compromise Subject's self-incrimination or waive protection available under the applicable laws.
11. Subject has a right to consult with a person or persons of their choice, other than the Managing Director / Investigators and / or members of the Audit committee and / or the Whistleblower. Subject shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
12. Subject has a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
13. Unless there are compelling reasons not to do so, Subject will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doings against a Subject shall be considered as maintainable unless there is good evidence in support of allegations.
14. Subjects have a right to be informed of the outcome of the investigation.

15. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure. The Audit Committee may extend the tenure by another 45 days.

7. PROTECTION

No unfair treatment will be meted out to a Whistleblower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers.

The identity of the Whistleblower should remain confidential to the extent possible and permitted under law. However, if one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner.

Company's employee will 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 Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy.

The protection is available provided that:

- a) The communication/ disclosure is made in good faith
- b) He / She reasonably believes that information, and any allegations contained in it, are substantially true; and
- c) He / She is not acting for personal gain

Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this Policy. The Company will take steps to minimize difficulties, which the Whistleblower may experience, as a result of making the Protected Disclosure. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

A Whistleblower may report any violation of the above clause to the Managing Director, or Chairman of the Audit Committee, who shall cause investigate into the same and recommend suitable action to the management.

The Whistleblower, the Managing Director, the Audit Committee and everyone involved in the process shall:

- a) Maintain complete and strict confidentiality / secrecy of the matter,
- b) Not discuss the matter with any other person other than one required for enquiry / investigation into the matter,
- c) Not keep the paper unattended anywhere at any time; and

If anyone is found not complying with the above, he / she shall be held liable for such disciplinary and punitive action as is considered fit.

8. INVESTIGATORS

1. Investigators are required to conduct a process towards fact finding and analysis. Investigators shall derive their authority and access rights from the Managing Director / Audit Committee when acting within the course and scope of their investigation.
2. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
3. Investigations will be launched only after a preliminary review which establishes that:
 - a. The alleged act constitutes an improper or unethical activity or conduct, and
 - b. Either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

9. DECISION, REPORTING AND RETENTION

If an investigation leads the Managing Director / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Managing Director / Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as the Managing Director / Chairman of the Audit Committee deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

The Managing Director shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures received during the period, if any, with summary of finding in the investigation and corrective actions taken.

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of eight years.

This Policy is effective from August 06, 2024 and is subject to amendment on a time-to-time basis as per requirements. The Board reserves the right to amend or modify the Policy in whole or in part, at any time without assigning any reason, whatsoever. However, no such amendment or modification will be applicable to the Employees, the Directors and the Stakeholders unless the same is notified to the Employees and the Directors in writing and displayed on the Company's website.

The details of the establishment of the Policy shall be disclosed by the Company on its website and in the Board's report.

Note: the Original Policy was approved by the Board of Directors and came into force w.e.f., July 14, 2016.