

Whistle Blower Policy

NSE Clearing Ltd

NCL	Policies and Procedures
Title	Whistle Blower Policy
Owner	Compliance and Human Resources
Version	5.0
Effective Date	Date of Approval by the Board
Last Review Date	April 30, 2024
Periodicity of Review	Once in a year (unless earlier review is required)

Revision History:

Version	Revision Date	Nature and Reasons of Change	Approved by
5.0	April 30, 2024	Review of Policy	Board of the Clearing Corporation
4.0	April 25, 2023	Review of Policy	Board of the Clearing Corporation
3.0	April 28, 2022	The procedure to be followed in case of Whistle Blower Complaints carved out separately from the Policy	Board of the Clearing Corporation
2.0	January 30, 2020	Review of Policy	Board of the Clearing Corporation
1.0	May 12, 2015	New Policy (As part of NSE Group Company)	Board of the Clearing Corporation

Whistle Blower Policy

1. Preface

- 1.1. NSE Clearing Ltd (“NCL” or “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.
- 1.2. Companies Act 2013 mandates every listed Company or such class or classes of companies, as may be prescribed, to establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed under the Act. The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The details of establishment of such mechanism shall be disclosed by the Company on its website, if any, and in the Board's report.
- 1.3. SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 provides for all listed companies to establish a ‘Whistle Blower Policy’. This Whistle Blower Policy deals with complaints such as financial or operational mismanagement / irregularities, preferential treatment to certain stakeholders, conflict of Interest, violation of legal or regulatory provisions, etc., or in respect of Employee misconduct such as bribery and corruption, management instances of unethical behavior, actual or suspected, fraud or violation of the Code of Ethics and Code of Conduct.

2. Definitions

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

- 2.1. “Anonymous complaints” means any complaints that do not bear the name and address of the Whistle Blower.
- 2.2. “Company” means NSE Clearing Limited (“NCL”) and its subsidiaries.
- 2.3. “Chief Vigilance Officer” means the Officer appointed by the Board.
- 2.4. “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.

Whistle Blower Policy

- 2.5. “Employee(s)” means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- 2.6. “Investigators” mean those persons authorized, appointed, consulted or approached by the Whistle Blower Panel /Chief Vigilance Officer or / the Head of the Department/ and includes the auditors of the Company and the police.
- 2.7. “Protected Disclosure” means any written communication made in good faith that discloses or demonstrates a factual information that may evidence unethical or improper activity by the Employee or Third Party Stakeholder or financial or operational mismanagement / irregularities, preferential treatment to certain stakeholders, conflict of Interest, violation of legal or regulatory provisions, etc. which may be either contrary to the laid down policies of the Company or may be contrary to the acceptable standards of integrity and ethics in similar organizations
- 2.8. Pseudonymous complaints” means a complaint that does not bear the full particulars of the Whistle Blower or is unsigned or is not subsequently acknowledged by a Whistle Blower as having been made.
- 2.9. “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.
- 2.10. “Third-Party Stakeholder” means trading members, listed companies, vendors, consultants, service providers, business partners, and clients of trading members or any other third party associated with the Company.
- 2.11. “Whistle Blower” means any Employee or Third-Party Stakeholder making a Protected Disclosure under this Policy.
- 2.12. “Whistle Blower Panel” means a Panel defined under the clause 6 of the Policy.

Whistle Blower Policy

3. Scope of Protected Disclosures:

- 3.1. This Policy focuses on concerns which fall into the wider interest of the Company and / or public interest. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- 3.2. Protected Disclosures could be concerning the alleged violation of Code of Ethics or Code of Conduct or any law or regulation. Following may be considered as an illustrative list of improper or unethical behavior that involve reporting under this Policy:
- i. Conflict of Interest of Employees
 - ii. Insider Trading violations
 - iii. Preferential treatment by NCL to the individual or specific group of clearing members
 - iv. Violation of legal or regulatory provisions applicable to the Company;
 - v. Allegations of corruption or any other misconduct.
 - vi. Operational or technological or financial irregularities;
 - vii. Abuse of Authority
 - viii. Manipulation of company data/records.
 - ix. Pilferage of confidential/propriety information
 - x. Wastage/misappropriation of company funds/assets
 - xi. Deficiencies in the internal controls
 - xii. Any other unethical event or any instances of leak of Unpublished prices sensitive information (UPSI).

Exclusion:

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 (Referred to Committee Approved by the Audit Committee for such matters)
- ii. Sexual harassment (will be referred to POSH Committee of NCL)
- iii. Suggestions for improving operational efficiencies (will be referred

Whistle Blower Policy

to respective department heads/committee)

iv. Complaints relating to service conditions (will be referred to respective department heads/committee)

- 3.3. Whistle Blower should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Audit Committee or the Investigators.
- 3.4. The Company expects that Whistle Blower will maintain as confidential, any information provided to a Whistle Blower by Employees/Subjects during investigation or of which Whistle Blower becomes aware because of the Whistle Blower's ongoing participation in the investigation
- 3.5. Protected Disclosures may be in relation to matters concerning the Employees of the Company, the company and NCL Group Company or any other subsidiaries.
- 3.6. 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.
- 3.7. All protected disclosures shall be dealt with in accordance with the internal procedures and the implementation of the Policy and procedures shall be monitored by the Audit Committee.

4. Handling of Anonymous/Pseudonymous Complaints:

- 4.1 Anonymous Complaints shall not be acted upon under Whistle Blower Policy. However, the same may be forwarded to Committee Approved by the Audit Committee for such matters, depending upon the subject or context of the complaint.
- 4.2 Pseudonymous complaints will be referred to the complainant for confirmation / genuineness verification to the extent possible and if no response is received from the complainant within 7 days of sending the complaint, a reminder will be sent. After waiting for 7 days of sending the reminder, if still no response is received, the said complaint may be filed as pseudonymous and not be acted upon under Whistle Blower Policy. However, the same may be forwarded to Committee Approved by the Audit Committee for such matters, depending upon the subject or context of the complaint.

Whistle Blower Policy

The complaint when forwarded to the Referred to Committee Approved by the Audit Committee for such matters, depending upon the subject or context of the complaint, shall be handled as per the procedures specified in Group Grievance Redressal Procedure and Disciplinary Action and Misconduct Policy

5. Disqualifications

- 5.1. While it will be ensured that genuine Whistle Blower is accorded complete protection from any kind of unfair treatment as herein set out, false or bogus allegations would not be considered for investigation.
- 5.2. Whistle Blower, who makes any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blower who makes 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

6. Constitution of Whistle Blower Panel

The Whistle Blower Panel shall include the following:

- a) Chief Regulatory Officer (CRO)
- b) Head -Legal
- c) Company Secretary

Note:

If the complaint relates to any of the above panel member or to members of their team, the concerned panel member shall recuse themselves from the investigation process.

7. How to File a Whistle Blower Complaint

- 7.1. A Whistle Blower can raise a concern by way of following means:

- i Sending an email addressed to whistleblower@nsccl.co.in
- ii Sending a letter in a sealed envelope marked confidential to the below mentioned address and should be addressed to the Whistle Blower

Whistle Blower Policy

Panel. The letter can either be typed or written in a legible handwriting in any language including English.

Whistle Blower Panel,

NSE Clearing Ltd
Exchange Plaza,
Bandra Kurla
Complex,
Bandra East, Mumbai – 400051

- 7.2. The Whistle Blower should give his/her name and address in an attached letter which shall be detached in order to maintain the anonymity of the Whistle Blower.
- 7.3. In exceptional cases (such as potential victimization or threat to the Whistle Blower), the Whistle Blower can directly make a Protected Disclosure to the Chairman of the Audit Committee of NCL, by writing at (auditchairperson@nsccl.co.in)
- 7.4. Protected Disclosures 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. To the extent possible following information should be covered in the Protected Disclosure:
 - i name of the Employees and / or Third-Party Stakeholders, if any allegedly involved in the matter;
 - ii the nature of the matter such as operations, technology, business, finance, human resources, general administration etc.;
 - iii factual background concerning the matter in detail.

All protected disclosures shall be dealt with in accordance with the internal procedures and the implementation of the Policy and procedures shall be monitored by the Audit Committee.

8. Protection

- 8.1. No unfair treatment will be meted out to a Whistle Blower 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

Whistle Blower Policy

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, 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. 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 criminal or disciplinary

proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

- 8.2. The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 8.3. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary procedures already taking place concerning a Whistle Blower.
- 8.4. Any other person assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

9. Decision

- 9.1. If an investigation leads conclude that an improper or unethical act has been committed, the Whistle Blower Panel/MD shall recommend to the Audit Committee to take such disciplinary or corrective action as they may deem fit.

10. Review/Amendment

- 10.1. 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 CC either on its own or as directed by SEBI from time to time.
- 10.2. Any amendment shall come into force from the date as may be approved by the Board of the Clearing Corporation.