

## **J.P. Morgan Securities India Private Limited**

### Vigilance Mechanism

## Objective

- J.P. Morgan Securities India Private Limited (JPMSIPL) has established a vigil mechanism to maintain highest standards of ethical, moral and legal conduct of business. The company encourages its employees and directors to report their concerns about suspected misconduct, unethical behavior, actual or suspected fraud or violation of code of conduct.
- This policy establishes and strengthens the vigilance function in coordination with Global Security & Investigations (GS&I) and in line with the existing internal JPMC policies, procedures and Code of Conduct.

## Definitions

- The definitions of some of the key terms used in this Policy are given below.
  - a. "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
  - b. "Employee" means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.
  - c. "Code" means the JPMC Code of Conduct.
  - d. "Investigators" mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and include the auditors of the Company and the police.
  - e. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
  - f. "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.
  - g. "Whistleblower" means an Employee or director making a Protected Disclosure under this Policy.

## Scope of Vigilance

- This policy is an extension of the Code of Conduct of JPMC
- The policy intends to prevent misconduct / malpractices / corrupt practices / misappropriation / forgery or cheating by employees.
- Investigate or cause an investigation into of misconducts / malpractices / corrupt practices / misappropriation / forgery or cheating by employees, when detected or reported.
- Initiate disciplinary action or to cause disciplinary action by appropriate authority post investigations if the charges are proved in cases involving misconduct / malpractices / corrupt practices / misappropriation / forgery or cheating by employees.

## Eligibility

- All present employees of the company and Directors are eligible to make Protected Disclosure(s) under this policy in matters relating to the company.

## Disqualifications

- While it will be ensured that genuine Whistleblowers 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 Whistleblower knowing it to be false or bogus or with a mala fide intention.
- Whistleblowers, who make three 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 Whistleblowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

## Chief of Internal Vigilance (CIV)

- JPMSIPL would appoint an officer with experience and seniority as CIV and who would coordinate all activities associated with the Vigilance Function with support from Global Security & Investigations (GS&I), Legal & Compliance, Human Resources (HR) and Line of Business (LOB) apart from CEO.

## Roles and Responsibility

The CIV would have following roles and responsibilities:

- Collecting intelligence about the corrupt practices committed or likely to be committed by the employees.
- Investigating or causing an investigation on the misconducts / malpractices / corrupt practices / misappropriation / forgery or cheating by employees.
- Initiating disciplinary action or causing disciplinary action by referring to appropriate authority within JPMSIPL.
- Rotation of Staff in sensitive positions, wherever necessary, in consultation with LOB and HR.
- Investigate or cause to investigate complaints received against the staff on misconducts / malpractices / corrupt practices / misappropriation / forgery or cheating by employees, either from an internal source or external source.
- Have Periodic update meetings with the management, as frequently as required but at a minimum once every calendar 6 months, after seeking inputs from Global Security & Investigations (GS&I), Legal & Compliance, Human Resources (HR) and Line of Business (LOB).
- Provide an annual update to the Board of Directors
- Receive information about corruption / malpractices or misconduct on the part of employees from the industry
- Liaison with police/ SFIO, other investigation agencies, as appropriate.
- Dealing with false complaints and taking appropriate action.

## Procedure

- All Protected Disclosures or violation should be reported according to the Code through Code violation hotline or addressed to the Chairman of the audit Committee.

## Investigation

- All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee, Global Security & investigations (GS&I) or any Investigator authorized by Chairman of the Audit Committee of the Company to do so. 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 should deal with the matter on hand. In case where a company is not required to constitute an Audit Committee, then the Board of directors shall nominate a director to play the role of Audit Committee for the purpose of vigil mechanism to whom other directors and employees may report their concerns.
- The decision to conduct an investigation taken by the 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.
- The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation
- Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- Subjects shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistleblower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Chairman of the Audit Committee (e.g. during investigations carried out by Investigators).
- If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as Chairman of the Audit Committee deems fit.

**Amendment**

- JPMSIPL reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and directors unless the same is notified to the Employees and directors in writing.