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## **WHISTLE BLOWER POLICY & VIGIL MECHANISM**

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Section 177 (9) of the Companies Act, 2013 (the “Act”) read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 along with Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”)

## **WHISTLE BLOWER POLICY & VIGIL MECHANISM**

### **1. Preface**

- a. Smartworks Coworking Spaces Limited ((hereinafter referred to as 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. Towards this end, the Company has adopted the Code of Conduct (“**the Code**”) as prevalent from time to time, which lays down the principles and standards that should govern the actions of the Company, its Associates and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors and Employees in pointing out such violations of the Code cannot be undermined.
- b. Regulation 22 and 46(2)(e) of the SEBI LODR and Section 177(9) read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 of the Act, mandates all listed entities to formulate the Vigil Mechanism/Whistle Blower Policy and to disclose the same on website of the Company. Further, Section 177 (10) of the Act provides that the Vigil Mechanism under sub-section (9) shall provide for adequate safeguards against victimization of Director(s) or Employee(s) or any other person who use such mechanism and make provisions for direct access to the Chairperson of the audit committee in appropriate or exceptional cases. Accordingly, this Whistle blower Policy (“**the Policy**”) has been formulated with a view to provide a mechanism for directors and employees of the Company to approach the Chairman of the Audit Committee of the Company.

### **2. Objective**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for employees to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc. It also aims at providing adequate safeguard to the directors, employees or any other person who avails the mechanism and also provide direct access to Chairman of the Audit Committee of the Company for investigation.

### **3. Definitions’**

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

Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

- a. “**Associates**” means and includes vendors, suppliers and others with whom the Company

has any financial or commercial dealings.

- b. **“Audit Committee”** means the Audit Committee of Directors constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and read with Regulation 18 of SEBI LODR.
- c. **“Board”** shall mean the board of directors of the Company at any time consisting of the directors duly appointed and not ceased to be directors in terms of the Act, as amended.
- d. **“Code”** means the Code of Conduct as adopted by the Company.
- e. **“Company”** shall mean Smartworks Coworking Spaces Limited.
- f. **“Employee”** means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.
- g. **“Director”** means every Director of the Company, past or present.
- h. **“Investigators”** mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and includes the Auditors of the Company and the Police.
- i. **“Protected Disclosure”** shall mean a written communication of a concern made in good faith, which discloses any information that may evidence unethical transactions/ arrangements, done/ suspected to be done by an employee which is against business interest or any suspected/unethical behavior of any employee in course of or in connection with any business activities of the company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- j. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- k. **“Whistleblower”** means an Employee or director making a Protected Disclosure under this Policy.

#### 4. Scope

The vigil mechanism aims to provide a channel to the directors and employees to report genuine concerns about any unethical transactions/ arrangements, done/ suspected to be done by an employee which is against business interest or any suspected/unethical behavior of any employee in course of or in connection with any business activities of the company, which inter-alia includes:

- (i) Breach of any code of conduct issued by the company;
- (ii) Breach of business integrity and ethics;

- (iii) Financial irregularities including fraud or suspected fraud;
- (iv) Forgery, falsification or alteration of documents for any unlawful gain/ advantage;
- (v) Manipulation of Company's data and records including computer files /data, for any unlawful gain/ advantage;
- (vi) Gross wastage/ misappropriation of Company's funds and/or assets and/or resources.

This mechanism provides for adequate safeguards against victimization of directors and employees to avail the mechanism and also provides for direct access to the chairman of the Audit Committee in appropriate cases. All the directors and employees of the Company are eligible to make Protected Disclosure under this Policy in relation to the matters concerning the Company.

All complaints in connection with sexual harassment of women at workplace will be handled by Internal complaints committee constituted as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and any rules made thereunder, each as amended.

## **5. Disqualifications**

- a. 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.
- b. 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.
- c. 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.

## **6. Procedure**

- a. A director or employee who wishes to use vigil mechanism may report the protected disclosure in writing to company Secretary & Compliance officer as soon as possible, not later than 30 days after he/she becomes aware of the same
- b. The Protected Disclosure should be submitted under a covering letter signed by the Whistle Blower in a closed and secured envelop either by email or at the address of Registered/Corporate office of the company
- c. All Protected Disclosure under this Policy will be promptly forwarded to Audit committee chairman and appropriate steps will be taken, under his direction, for investigation of such matter under disciplinary mechanism for the time being in force. All the information disclosed during the investigation will remain confidential, except as necessary to conduct the investigation. Everyone working for or with the Company has a duty to cooperate in the investigation. Failure to cooperate in an investigation, or deliberately providing false information during an investigation, can be the basis for disciplinary action, including termination of employment.
- d. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistleblower.
- e. 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 and the urgency of a preliminary investigative procedure.
- f. If, at the conclusion of its investigation, the Company determines that a violation has occurred, the Company will take effective remedial action which inter alia includes disciplinary action including termination from service, subject to the approval of Audit Committee chairman. Reasonable and necessary steps will also be taken to prevent any further violations of Company policy.

## **7. Investigation**

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations. 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.
- b. The Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Chairman of the Audit Committee 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.

- d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subject(s) will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subject(s) 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.
- g. Subject(s) 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. Subject(s) shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subject(s) have 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.
- i. Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subject(s) have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure

## **8. Investigator**

- a. Investigator must conduct a process with thorough fact-finding and analysis.
- b. Investigator derive authority and access rights from the Audit Committee during investigations.
- c. Investigator may use technical and other resources to support the investigation.
- d. Investigator must maintain independence and impartiality.
- e. Investigator are required to maintain ethical behavior and adherence to legal and professional standards.

## **9. Protection**

- a. 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. Complete protection will, therefore, be given to Whistleblowers 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 Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistleblower to receive advice about the procedure, etc.

- b. A Whistleblower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the Management.
- c. 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 Ethics Counsellor/Chairman of the Audit Committee (e.g. during investigations carried out by Investigators). In such cases adequate assurance shall be provided to the whistleblower and protect him/her from all difficulties to be faced by them.
- d. Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

## **10. Secrecy/Confidentiality**

Everyone involved in the investigation process, including Whistle Blower(s)" shall:

- maintain complete confidentiality/secrecy of the matter
- not to discuss the matter in any informal/social gatherings/meetings
- discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- not to keep the papers unattended anywhere at any time
- keep the electronic mails/files under password

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

## **11. Decision**

If an investigation leads to a conclusion that an improper or unethical act has been committed,

the chairperson of the Audit Committee shall recommend to the Board to take such disciplinary or corrective action as it may deem 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 investigation shall be deemed as closed upon conclusion of the inquiry and disciplinary action, recovery proceedings, initiation of extant legal proceedings, or reporting as required by the policies, after which the investigation shall be reported as closed to the Audit Committee. A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

#### **12. Protection Of Whistle-Blowers**

If a Whistle-blower does provide his or her name when making a Protected Disclosure, the Company will treat as confidential the identity of the Whistle-blower and the fact that a Protected Disclosure has been made, except as otherwise required by law and to the extent possible while allowing an investigation to proceed. A Whistle-blower may make a Protected Disclosure without fear of retaliation or intimidation.

#### **13. Role of Audit Committee**

The Audit Committee is responsible for supervising the development and implementation of this Policy, The Audit Committee shall periodically review the Policy to consider whether amendments are necessary, and, if so, it shall communicate any such amendments to all Employees as soon as possible.

The Whistleblower shall have right to access Chairperson of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

#### **14. Amendment**

The Company 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.

#### **15. Effective Date**

This policy shall be effective from date of adopting the said policy by the Audit committee and Board of Directors of the Company..



**Protected**

**Disclosure Form**

For Employee(s)/Director(s) of Smartworks Coworking Spaces Limited including its Subsidiary(s) & Associate(s):

Name of the Whistle Blower: ..... Designation .....

Department / Division: ..... Job class/ Grade: .....

Location: ..... Date of Joining/Appointment: .....

Contact Number: ..... E-mail: .....

Correspondence address:

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I hereby declare, that the accompanying statements and supporting documentation (if any) is true and correct, to the best of my knowledge and in complete good faith.

Date : \_\_\_\_\_

Signature of the Whistle Blower