

VIGIL MACHANISM (WHISTLE BLOWER POLICY) (Effective from 27th May, 2014)

FCS PROPRIETARY

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1. PREAMBLE

- 1.1. Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates all listed company to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company had adopted a Code of Conduct for Directors and all employees (“the Code”), which lays down the principles and standards that should govern their actions. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company and should be brought to the attention of the concerned. A vigil mechanism shall provide for adequate safeguards against victimization of persons who can also use such mechanism for reporting genuine concerns. It also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.2. Effective October 1, 2014, Clause 49 of the Listing Agreement between listed Companies and the Stock Exchanges, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called “Whistle Blower Policy” for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Companies code of conduct.
- 1.3. In compliance of the above requirements, FCS Software Solutions Limited (“FCS”), being a Listed Company has established a Vigil Mechanism (Whistle Blower Policy) in order to provide a framework for responsible and secure vigil mechanism (whistle blowing) effective from 1st October, 2014.

2. POLICY OBJECTIVES

The Vigil Mechanism/ Whistle Blowing aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its directors and employees who have genuine concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of directors and employees to avail this mechanism and also provide for 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 about a personal situation.

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3. DEFINITIONS

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

- i. **“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 and read with Clause 49 of the Listing Agreement with the Indian Stock Exchanges.
- ii. **“Code”** means the FCS Code of Conduct.
- iii. **“Directors”** means a Director on the board of the company whether full-time or otherwise.
- iv. **“Employee”** means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.
- v. **“Investigators”** mean any person or committee of persons authorised, appointed, consulted or approached by the Vigilance Officer/Chairman of the Audit Committee and include the auditors of the Company and the police.
- vi. **“Protected Disclosure”** means written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- vii. **“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.
- viii. **“Whistle Blower”** means an employee or director making a Protected Disclosure under this Policy.

4. SCOPE

The directors or employees of the company can disclose any unethical, improper activities or malpractices, or events which have taken place/ suspected to take place involving:

1. Abuse of authority and position
2. Breach of the Company’s Code of Conduct
3. Breach of Business Integrity and Ethics
4. Breach of Terms and Conditions of employment and Rules thereof
5. Intentional financial irregularities, including fraud, or suspected fraud
6. Deliberate violation of laws/regulations
7. Gross or wilful negligence causing substantial and specific danger to health, safety and environment
8. Manipulation of company data/records
9. Pilferation of confidential/proprietary information
10. Gross Wastage/misappropriation of Company funds/assets

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

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5. GUIDING PRINCIPLES

- 1.1. The Whistle Blower must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination and legal proceedings.
- 1.2. Whistle Blowers 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 Chairman of the Audit Committee or the Investigators.
- 1.3. All Protected Disclosures should be reported in writing as soon as possible but not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English.

6. PROCEDURE

- 6.1. All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee (in exceptional cases only). The contact details of the Chairman of Audit Committee and Vigilance Officer are as under:-

Chairman of Audit Committee	Mr. Shiv Nandan Sharma FCS House, Plot No. 83, NSEZ, Gautam Buddha Nagar, Noida- 201305
Vigilance Officer	Mr. Gagan Kaushik FCS House, Plot No. 83, NSEZ, Gautam Buddha Nagar, Noida- 201305

- 6.2. If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Vigilance Officer, the same should be forwarded to the Company's Vigilance Officer or the Chairman of the Audit Committee for further appropriate action.
- 6.3. 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.
- 6.4. The Protected Disclosure should be forwarded under a covering letter which may bear the identity of the Whistle Blower. The Chairman of the Audit Committee / Vigilance Officer, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

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- 6.5. 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.
- 6.6. Anonymous disclosures will also be entertained. However it may not be possible to interview the Whistle Blower and grant him/her protection under the policy.

7. PROTECTION

- 7.1. 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 against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers 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/her duties/functions including making further Protected Disclosure.
- 7.2. 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.
- 7.3. A Whistle Blower may report any violation of the above clause to the Vigilance Officer / Chairman of the Audit Committee (only in exceptional cases), who shall investigate into the same and recommend suitable action to the management.
- 7.4. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Vigilance Officer / Chairman of the Audit Committee (e.g. during investigations carried out by Investigators).
- 7.5. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

8. DISQUALIFICATION

- 8.1. This policy will ensure protection of Whistle Blower for all genuine concerns raised however any abuse of this protection will attract disciplinary actions.
- 8.2. Protection does not include protection from any disciplinary action for any false reporting or allegations with a *mala fide* or *malicious* intention.

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8.3. Whistle Blowers, 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 Whistle Blowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary actions.

9. INVESTIGATION

- 9.1. All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Audit Committee of the Company.
- 9.2. The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.
- 9.3. Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.
- 9.4. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 9.5. 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.
- 9.6. Subjects shall have a duty to co-operate with the Vigilance Officer / 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.
- 9.7. Subjects have a right to consult with a person or persons of their choice, other than the Vigilance Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- 9.8. Subjects 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.
- 9.9. Unless there are compelling reasons not to do so, Subjects 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.

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- 9.10. Subjects 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.
- 9.11. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

10. DECISION

If an investigation leads the Vigilance Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Vigilance Officer / 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.

11. RIGHTS OF THE SUBJECT

- 11.1. Subjects have the right to be heard and the Vigilance Officer or the Audit Committee must give adequate time and opportunity for the subject to communicate his/her say on the matter.
- 11.2. Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process

12. RETENTION OF DOCUMENTS

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 seven years.

13. 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 Directors and employees unless the same is not communicated in the manner described as above.

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