



VIGIL MECHANISM / WHISTLE BLOWER POLICY

FSN E-COMMERCE VENTURES LIMITED

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1. INTRODUCTION

1.1 FSN E-Commerce Ventures Limited ('Company') is committed to comply with all the applicable laws, particularly ensuring that the business is conducted with integrity and that the Company's financial information is accurate.

1.2 The Company believes in the conduct of the affairs of its business in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has adopted the Code of Conduct ("the Code") which lays down the principles and standards that should govern the actions of the Company 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 employees and Directors in pointing out such violations of the Code cannot be undermined. There is a provision under the Code requiring employees to report violations, which states:

"XXII. Reporting Violations

a) Responsibility to Report Violations of the Code and Law:

The Covered Persons should promptly report any actual or apparent violations of this Code. Any such reports may be made anonymously. Confidentiality will be maintained, to the extent permitted by law

b) The Company is committed to developing a culture where it is safe for all Employees to raise concerns about any poor or unacceptable practice and any event of misconduct"

1.3 Section 177(9) of the Companies Act, 2013 (Act) and Regulation 22 read with Regulation 4(2)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") provide for the institution of the Vigil Mechanism/ Whistle Blower Policy in the specified companies, for Employees and Directors to report to the Management instances of actual or suspected unethical behaviour, fraud or violation of the Company's Code of Conduct / ethics / principles, which are in turn to be monitored by the Audit Committee.

- 1.4 Accordingly, this Vigil Mechanism/ Whistle Blower Policy (the “Policy”) has been formulated with a view to provide a mechanism for Employees and Directors of the Company to approach the designated Ombudsperson and/or the Chairperson of the Audit Committee of the Company to report actual or suspected unethical behaviour, fraud or violation of the Company’s Code of Conduct / ethics / principles and matters specified in this Policy.
- 1.5 This Policy shall come into force from the date of listing of Company’s shares on the stock exchanges.
- 1.6 The Policy protects Employees, Directors as well as Anonymous Whistle Blowers wishing to raise a concern about serious irregularities within the Company.
- 1.7 The Policy neither releases Employees and Directors from their duty of confidentiality in the course of discharging their duties, nor is it a route for taking up a grievance about a personal situation.

2. POLICY OVERVIEW

- i. This Policy is for the benefit of the Employees and the Directors as defined hereinafter.
- ii. The Policy has been drawn up so that Employees and Directors can be confident about raising a concern to the Company under a Protected Disclosure.

3. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below. Capitalised terms not defined herein shall have the meaning assigned to them under the Code

- 3.1 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 Regulation 18 of SEBI LODR Regulations. In the event that there is any conflict of interest for any member of the Audit Committee for a particular case, he will recuse himself and the rest of the members will handle the same.
- 3.2 Board of Directors: A body of elected or appointed members who jointly oversee the activities of the Company



- 3.3 Code: means the Code of Conduct
- 3.4 Director: means a person appointed as the Director on the Board of Directors of the Company
- 3.5 Disciplinary Action: means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from the official duties or any such action as is deemed to be fit considering the gravity of the matter.
- 3.6 Employee: means every employee of the Company including subsidiary/associate companies (whether working in India or abroad), including the expatriates stationed in India and persons engaged on contract;
- 3.7 Investigator: means (i) Investigation Committee and (ii) those persons authorised, appointed, consulted or approached by the Chairperson of the Audit Committee and includes the Statutory and/or Internal Auditors of the Company and the Police.
- 3.8 Investigation Committee or Committee means a committee of persons who are nominated/appointed by the Board of Directors to conduct detailed investigations of the disclosure received from the whistle blower and recommend disciplinary actions.
- 3.9 Ombudsperson: will be the Compliance Officer of the Company, for the purpose of receiving all the complaints under this Policy and ensuring appropriate action. In the first instance, the Board shall appoint the Ombudsperson. The Board / Audit Committee shall have the authority to change the Ombudsperson from time to time.
- 3.10 Protected Disclosure: means any written or anonymous communication (including email) made in good faith that discloses or demonstrates information that may evidence suspected or actual unethical or improper activity
- 3.11 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
- 3.12 Whistle Blower: means an Employee, a Director and/or any anonymous Whistle Blower making a Protected Disclosure under this Policy.

4. GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:



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- i. Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so.
- ii. Treat victimization as a serious matter including initiating disciplinary action on such person/(s).
- iii. Ensure complete confidentiality.
- iv. Not attempt to conceal evidence of the Protected Disclosure.
- v. Take disciplinary action, if anyone destroys or conceals evidence of the Protected Disclosure made/to be made.
- vi. Provide an opportunity of being heard to the persons involved, especially to the Subject

5. SCOPE

- 5.1 This Policy is an extension of the Company's Code of Conduct. The Whistle Blower's role is limited to that of a reporting party with reliable information and making a Protected Disclosure. A Whistle Blower should not engage in the investigations pertaining to the Protected Disclosure. 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. However, the Audit Committee may summon such Whistle Blower for information, facts and such related matters which It believes could assist the Committee in its investigation.
- 5.2 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 Chairperson of the Audit Committee or the Investigators.
- 5.3 Protected Disclosure will be appropriately dealt with by the Chairperson of the Audit Committee, as the case may be
- 5.4 The Policy covers malpractices and events which have taken place/ suspected to take place involving:
 - i. Abuse of authority for personal gain or obtaining undue advantage or to prevent or deprive another of its rights or to the detriment of the Company.
 - ii. Negligence causing substantial and specific danger to public health and safety
 - iii. Manipulation/unauthorized use or disposal of company data/records
 - iv. Financial irregularities, including fraud, or suspected fraud
 - v. Criminal offence



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- vi. Pilferation of goods, property, confidential/proprietary information
- vii. Deliberate violation of law/regulation
- viii. Wastage/misappropriation of company funds/assets
- ix. Breach of employee Code of Conduct or Rules
- x. Any other unethical, biased, favoured, imprudent event
- xi. Preference of one vendor/seller over the other with an intent of personal gain or rendering avoidable loss to the Company
- xii. Any leak or suspected leak of unpublished price sensitive information, as defined under the Company's Insider Trading Policy

Exclusions:

- a) Complaints of Sexual Harassment will be handled by the POSH Committee in compliance with the POSH Laws.
- b) Personal grievances like no increment/ promotion, appraisal rating etc. or a general personnel or administration issue that are not the consequences of any act or practice conducted under the sub section 5.4. Human Resources or Administration Department of the Company will handle such complaints.

The Employee(s) and Director(s) are required to familiarize themselves with the Policy and seek advice from the Group CHRO for better clarity and understanding or for determining whether a particular instance falls within the ambit of malpractice or not. Group CHRO is responsible for administration and compliance of this Policy.

6. ELIGIBILITY

All Employees and Directors of the Company are eligible to make the Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company including subsidiary/associate companies.

7. DISQUALIFICATIONS

- 7.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection in any manner including repeated frivolous complaints, will warrant a disciplinary action



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- 7.2 Protection under this Policy would not mean protection from the disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention
- 7.3 However, the disciplinary action would be taken based on the principles of the natural justice and only after giving the reasonable opportunity to the concerned Employee to be heard
- 7.4 Whistle Blowers, who make any Protected Disclosure/s, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make three 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 for a period of six months

8. MANNER IN WHICH CONCERNS CAN BE RAISED

- 8.1 Employees can make Protected Disclosure to Ombudsperson, as soon as possible but not later than 30 consecutive days after becoming aware of the same
- 8.2 For the purpose of providing the protection to the Whistle Blower, it is preferred that the Whistle Blower should disclose his/her identity in the covering letter while forwarding such Protected Disclosure
- 8.3 Protected Disclosures should be reported In writing (including email) so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in business language of the place of employment of the Whistle Blower.
- 8.4 The Protected Disclosure should be forwarded under a Covering Letter which shall preferably bear the identity of the Whistle Blower. The Ombudsperson/Chairperson of the Audit Committee, as the case may shall detach the Covering Letter and forward only the Protected Disclosure to the Investigators for investigation
- 8.5 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. Where possible, it should describe the nature of the violation; the identities of persons involved in the violation; a description of documents that relate to the violation; and the time frame during which the violation occurred.



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- 8.6 All Protected Disclosures concerning Financial/Accounting matters should be directly addressed to the Chairperson of the Audit Committee of the Company for investigation.
- 8.7 In respect of all other Protected Disclosures, those concerning the employees at the levels of Vice Presidents and above should be addressed to the Chairperson of the Audit Committee of the Company and those concerning other employees should be addressed to the Ombudsperson of the Company
- 8.8 The contact details of the Ombudsperson / Chairperson of the Audit Committee are as Email:
- a. Whistle-blower: whistleblower.employees@nykaa.com and
 - b. Chairperson of audit committee: auditcommitteechair@nykaa.com
- Physical copy of disclosure should be addressed to
Attention: FSN Whistleblower, 104, Vasan Udhyog Bhavan, Mumbai 400013.
- 8.9 If a Protected Disclosure is received by any employee of the Company other than Ombudsperson / Chairperson of Audit Committee, the same should be forwarded to the Ombudsperson or the Chairperson of the Audit Committee for further appropriate action under strict confidence by such employee.
- 8.10 If initial enquiries by the Audit Committee / Ombudsperson indicate that the concern has no basis, or it is not a matter to be investigated pursuant to this Policy, it may be dismissed at that stage and the decision shall be documented and communicated to the Whistle Blower whose identity is known.
- 8.11 Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the investigation committee, or by the Audit Committee. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt or wrongdoing. A written report of the findings would be made and shall be taken on record by the Audit Committee.
- 8.12 Name of the Whistle Blower shall not be disclosed to the Audit Committee, wherever applicable.
- 8.13 The Ombudsperson / Audit Committee shall:
- Make a detailed written record of the Protected Disclosure. The record will include:
- i. Facts of the matter and Investigations made to arrive at the outcome.
 - ii. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof.



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- iii. Whether any Protected Disclosure was raised previously against the same Subject, and if so, the outcome thereof

9. INVESTIGATION

- 9.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by Chairperson of the Audit Committee of the Company or by the Investigation Committee within - 90 days of receiving such request
- 9.2 The Chairperson of the Audit Committee or Investigation Committee may at his discretion, consider involving internal Functions/employees and/or outside Investigators for the purpose of investigation
- 9.3 The decision to conduct an investigation taken by the Chairperson of the Audit Committee / Investigation 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 Whistle Blower that an improper or unethical act was committed
- 9.4 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
- 9.5 Subject will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing his/her inputs during the investigation which shall be submitted within 15 days of communication
- 9.6 Subject shall have a duty to co-operate with the Ombudsperson/ Investigation Committee / Chairperson of the Audit Committee or any of the Investigators during the investigation to the extent that such co-operation will not compromise self-incrimination protections available to the Subject under the applicable laws
- 9.7 Subject has a right to consult with a person or persons of his/her choice, other than the Ombudsperson / Investigators and/or members of the Audit Committee and/or the Whistle Blower
- 9.8 Subject has a responsibility not to interfere with the investigation
- 9.9 Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, coerced, threatened or intimidated by the Subject
- 9.10 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 within a period of 15 days of the conclusion of investigation. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is evidence in support of the allegation



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- 9.11 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
- 9.12 The investigation shall be completed normally within – 90 days of the receipt of the Protected Disclosure or within such time as may be decided by the Audit Committee.

10. PROTECTION

- 10.1 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 practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to the 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 duties/functions including making further Protected Disclosures. 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.
- 10.2 A Whistle Blower may report any violation of the above clause to the Chairperson of the Audit Committee, who shall investigate into the same and recommend a suitable action to the Management of the Company.
- 10.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law
- 10.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower

11. INVESTIGATORS

- 11.1 Investigators are required to conduct fact-finding and analysis methodically. Investigators shall derive their authority and rights from the Audit Committee when acting within the course and scope of their investigation
- 11.2 Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards
- 11.3 Investigations will be launched only after a Preliminary Review by the Ombudsperson / Chairperson of the Audit Committee as the case may be, which establishes that:
- i. The alleged act constitutes an improper or unethical activity or conduct, and
 - ii. The allegation is supported by the information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of Management review. Provided that such investigation should be undertaken as an investigation of an improper or unethical activity or conduct

12. DECISION

If an investigation leads the Investigation Committee / Chairperson of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairperson of the Audit Committee shall recommend to the Management of the Company to take such disciplinary or corrective action as the Chairperson of the Audit Committee 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 as per the Disciplinary Policies of the Company

13. REPORTING & DISCLOSURES

- 13.1 The Ombudsperson shall submit a report to the Chairperson of the Audit Committee on a quarterly basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any



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- 13.2 Audit Committee in turn shall submit a report to the Chairperson of the Board on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any
- 13.3 Details of establishment of the vigil mechanism/ whistle blower policy and affirmation that no Whistle Blower was denied access to the Committee must be disclosed in the corporate governance section of the Company's annual report
- 13.4 This Policy will be uploaded on the website of the Company

14. RETENTION OF DOCUMENTS

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 or such period as may be prescribed under applicable laws

15. AMENDMENT

The Company may amend or modify this Policy in whole or in part, at any time, however, such amendment or modification shall not affect the on-going or completed investigations.

16. LIMITATION & AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

17. VERSION HISTORY

Sr.No.	Version	Created by	Approved By	Effective Date	Amendment Summary
1	1.1	Internal	Board of Directors	10/11/2021	Policy drafted