

SONATA SOFTWARE LIMITED
VIGIL MECHANISM

1. PREAMBLE

The Company recognizes the value of transparency and accountability in its administrative and management practices, and therefore also supports the making of disclosures that reveal grave misconduct, i.e., conduct which results in a violation of law by the Company, in a substantial mismanagement of company resources and if proven constitutes a criminal offence or reasonable grounds for dismissal of the person engaging in such conduct.

The policy is in line with the Company's principles, statutory requirements under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy was amended by the Board at its Meeting conducted on 10th August, 2020. It is a mechanism to empower the employees and other stakeholders to report to the Management instances of unethical behavior, actual or suspected fraud, mis-representation of financial statements, misconduct, any illegal act including leak or suspected leak of the UPSI and violation of the Company policies or any other laws.

2. DEFINITIONS

"Audit Committee" means that the Audit Committee constituted by the Board of Directors of the Company in accordance with the Companies Act, 2013 and read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

"Ethics Committee" means a committee of 3 (three) persons, comprising the Head of Human Resources, Compliance Officer and Chief Financial Officer.

"Company" means Sonata Software Limited including subsidiaries, joint ventures and associate companies

"Protected Disclosure" means any communication made in good faith that discloses information that may provide evidence of unethical or improper practices in the organization/workplace.

"Subject" is a person or persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of investigation.

"Investigators" means those persons authorized, appointed or consulted by the Ethics Committee or Chairman of the Audit Committee in relation to an investigation of the Protected Disclosure and who submit their findings to the Ethics Committee/ Chairman of the Audit Committee. This can be any employee of the Company or an external agency as may be identified by the Ethics Committee/Chairman of the Audit Committee.

"Compliance Officer" means the Company Secretary of the Company who shall be the convener of the Ethics Committee

"Employee" means every employee of the Company, fixed term employee (whether working in India or abroad), including the Directors in the employment of the Company.

"Unpublished Price Sensitive Information" or "UPSI" holds the same meaning as provided in

SEBI (Prevention of Insider Trading Regulations), 2015 and amendments made thereto.

“Whistle Blower” means an employee, contractor, vendor, or a person having interest in any transaction with the Company who makes disclosure in good faith pursuant to this policy about any unethical or improper practices noticed by him in the organization/ work place.

“Policy” means this Vigil Mechanism Policy, as may be updated and amended from time to time.

“Protected Disclosure Form” is the form in which a Disclosure must be made to the Ethics Committee / Chairman of the Audit Committee.

3. SCOPE

This policy provides a secure framework to report genuine concerns about unethical behavior, actual or suspected fraud, theft, bribery, misappropriation of Company funds, financial reporting violations, misuse of intellectual property, mismanagement, significant environmental, safety or product quality issues, Discrimination or harassment including sexual harassment, any illegal act including leak or suspected leak of the UPSI , or unethical use of UPSI in accordance with SEBI (Prohibition of Insider Trading) Regulations, including any amendment thereof., actual or potential conflicts of interest, violation of company’s rules, Company’s Policies or violation of Code of Conduct of the Company.

This Vigil Mechanism Policy is in addition to the existing reporting processes within Sonata. Matters related to interpersonal issues, service conditions, organizational policies etc. should be resolved using the existing reporting process and not through the use of this Policy.

For example, issues related to compensation like quantum of increments, bonus payouts, performance appraisal, tax deducted at source, inappropriate facility management or administrative services, information technology related issues etc. should be resolved using the existing reporting mechanisms.

4. REPORTING RESPONSIBILITY

It is the responsibility of every employee, vendor, contractor or any other stakeholder of the Company to report genuine concerns about unethical behavior, actual or suspected fraud, theft, bribery, misappropriation of Company funds, financial reporting violations, misuse of intellectual property, mismanagement, significant environmental, safety or product quality issues, Discrimination or harassment including sexual harassment, any unethical business conduct or illegal act including leak or suspected leak of the UPSI, trading in the shares of the Company whilst in possession of any UPSI (except in cases permitted by Law), actual or potential conflicts of interest, violation of company’s rules, Company’s Policies or violation of Code of Conduct of the Company in accordance with the procedure set out in this Policy.

If there is a doubt about whether a particular situation amounts to fraud or violation to be disclosed under this Policy, the relevant employee is encouraged to consult his/her reporting managers, or respective locational/functional human resources head, prior to using this Policy.

5. PROCEDURE

- a. All Protected Disclosures made under this policy must be submitted through:

E-mail to whistleblower@sonata-software.com; OR

Representation in writing in a sealed cover to the Compliance Officer at below address:

Compliance Officer,
Secretarial Department
Sonata Software Limited
APS Trust Building, Bull Temple Road
Bangalore 560019, India

- b. If the Whistle Blower has to submit a protected disclosure against any member of Ethics Committee or any other appropriate and exceptional cases which any employee believes cannot be resolved in accordance with the aforesaid procedure he or she may address directly to the Chairman of the Audit Committee. The details of the Chairman of the Audit Committee are as under:

E-mail to the auditcommittee@sonata-software.com OR

Representation in writing in a sealed cover to Chairman of Audit Committee at below address:

Chairman of Audit Committee,
Sonata Software Limited
APS Trust Building, Bull Temple Road
Bangalore 560019, India

- c. Protected Disclosures involving the Chairman of the Audit Committee should be made to the Chairman of the Board of Directors of the Company. If the Chairman of the Board of Directors of the Company is the same person as the Chairman of the Audit Committee, such Protected Disclosure may be made to any other Director
- d. Protected Disclosure should be reported in writing with supporting documents or evidences (if any) to ensure a clear understanding of the issues raised and should either be typed or written in legible handwriting in English or in the regional language of the place of employment of the Whistle Blower.
- e. The Whistle Blower should provide factual data and as much specific information as possible in the Protected Disclosure Form available on the Intranet or as requested or directed by the person authorized to conduct the investigation under this policy to allow for proper assessment with respect to the disclosure. Disclosures should be made by the Whistle Blower at the earliest possible opportunity, as soon as he/she becomes aware of suspected unethical behavior, actual or suspected fraud or violation to be disclosed under this policy as soon as he/she becomes aware, but not later than 30 days, unless the delay can be justified.
- f. Complaints can be submitted without disclosing the identity, if the Whistle Blower wishes not to disclose his identity. Further, it is Whistle Blower's responsibility to maintain secrecy of the reporting unless permitted by Ethics Committee or Audit Committee Chairman.

6. INVESTIGATION

- a. All protected disclosures reported under this policy will be thoroughly investigated and appropriate corrective action will be taken if warranted by the investigation under the supervision of the Ethics Committee/Audit Committee Chairman.
- b. The Ethics Committee or the Audit Committee Chairman may at their discretion consider involving any other suitable competent person or an external investigator for the purpose of investigation. In all such cases, only the matter of investigation will be forwarded to the Investigator(s). The Investigator(s) shall be under an obligation to maintain confidentiality with respect to all information accessed by them, as well as with respect to their findings.
- c. If any investigating authority has a conflict of interest in a given case, he/she will relieve himself / herself at the earliest possible opportunity, and the other investigators will deal with the matter.
- d. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee Chairman when acting within the course and scope of their investigation.
- e. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- f. Investigations will be launched only after a preliminary review by the Ethics Committee and which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct, and
 - ii. the allegation is supported by 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 not be undertaken as an investigation of an improper or unethical activity or conduct.
- g. The investigation will be closed if the investigation preliminary review indicates that the reported concern has no basis either in fact or in law or the reported concern falls outside the scope of this Policy
- h. Protected Disclosures will be investigated only if it prima facie appears to be genuine. In case it is found to be frivolous or made with mala fide intent, the review/investigation will be closed and the same will be recorded in the Investigation Report.
- i. The Whistle Blowers, should not act on their own in conducting any investigation activities, nor do they have right to participate in the investigation beyond the directions of the Ethics Committee or Chairman of the Audit Committee.
- j. The Subject will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

- k. Subjects shall have a duty to co-operate with the investigating authorities during the investigation process to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- l. Unless there are compelling reasons not to do so, subjects will have the opportunity to respond to the 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.

7. PROTECTION

- a. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported 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 or 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 Disclosure.

Any complaint that any supervisors or employees are involved in harassment, retaliation or discrimination of Whistle Blower, shall be promptly and thoroughly investigated and if it is substantiated, appropriate disciplinary action will be taken.

However, protection under this policy would not mean protection from disciplinary actions arising out of false or bogus allegations or incomplete disclosures made by a whistle blower knowing it to be bogus or false or inaccurate and shall be liable for appropriate disciplinary action. It shall also not include protection from disciplinary or other action arising from a violation of any of the Company's other policies.

- b. A Whistle Blower may report any violation of the above clause to the Ethics Committee, who shall investigate into the same and recommend suitable action to the management.
- c. The identity of the Whistle Blower and the subject shall be kept confidential to the extent possible given the legitimate needs of the law and investigation. The Whistle Blower should disclose his/her identity for the Company to provide appropriate protection under this Policy.
- d. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- e. The Company will treat all Disclosures made under this Policy as confidential and privileged to the fullest extent permitted by law.

8. DECISION

If an investigation leads the Ethics Committee/Chairman of the Audit Committee or the suitable nominated competent person to conclude that an improper or unethical act has been committed then they shall recommend to the management to take disciplinary or corrective action. Any disciplinary or corrective action initiated against the Subject as a result of findings of an investigation shall adhere to the disciplinary procedures framed by the Company.

9. RETENTION

All documents relating to the reporting, investigation and action there upon under this policy, as a result of a report of questionable action defined above shall be kept in accordance with the Company's policy on Preservation of Documents subject to applicable laws.

10. REPORTING

A quarterly report with number of complaints received, nature of the complaints received under the Policy and their outcome shall be placed before the Audit Committee.

11. AMENDMENT

The Board has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

PROTECTED DISCLOSURE FORM

To,

Personal details of the Whistle Blower:

Name	
Department	
Location	
Date of Joining	
E- mail id	
Communication Address	
Contact No.	

Investigation Matter:

Nature of violation or potential violation	
Person (s) involved (Name) [<i>known as Subject</i>]	1. 2. 3.
Department of Subject(s)	1. 2. 3.
Details of the Violation (<i>provide details of amount involved, if any</i>)	
Evidence (enclose supporting documents, if any)	
Other Information (if any)	

I hereby declare, that the accompanying information and supporting documentation (if any) is true and correct, to the best of my knowledge and in complete good faith. I also declare that I am not investigating the above disclosure on my own or through any other person/company.

Date:

Signature:

Notes:

1. The Protected Disclosure Form should be submitted at the earliest possible opportunity, as soon as you become aware of the matter to be reported, but no later than 30 days from such date (unless the delay can be justified).
2. Disclosure made should be factual and not speculative or in the nature of a conclusion, and should contain as much
3. Provide all the details to the extent possible and attach supporting documents (if any) to the Form.
4. If the space provided is not sufficient, attach a separate sheet.