

## WHISTLE BLOWER POLICY-VARROC GROUP

### 1. Preface

- 1.1. Varroc believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.
- 1.2. Varroc 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. "Whistle Blower Policy is Applicable to Employees, directors and third-party stakeholders (vendors, suppliers, contractors, dealers and any other 3rd party) to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- 1.4. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise concerns about serious irregularities within the Company.
- 1.5. The Policy neither releases employees from their duty of confidentiality, nor is it a route for taking up a grievance about a personal situation.

### 2. Policy and Scope

The Policy has been drawn up so that Employees, directors and third-party stakeholders (vendors, suppliers, contractors, dealers and any other 3rd party) can be confident about raising a concern. The areas of concern covered by this Policy are summarized below

### 3. Definitions

- 3.1. "**Audit Committee**" shall mean a committee of the Board of Directors of the Company constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended from time to time.
- 3.2. "**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 official duties or any such action as is deemed to be fit considering the gravity of the matter.
- 3.3. "**Employee means**" every employee of Varroc Group Company working in India or abroad whether in full time or part time employment with the Company or its subsidiary whether in permanent, probationary, trainee, retainer, temporary or contractual appointment of Varroc Group.
- 3.4. "**Protected Disclosure**" means a concern raised by a written communication made in good faith that discloses or demonstrates information that may be an evidence for unethical or improper activity or fraudulent act.
- 3.5. "**Subject**" means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 3.6. "**Whistle Blower**" is an Employee or Director or third-party stakeholders (vendors, suppliers, contractors, dealers and any other 3rd party) any Stakeholder of Varroc who makes a Protected Disclosure under this Policy.
- 3.7. "**Ethics Committee**" means a committee set up for receiving the whistleblower complaints from the Whistleblower and assisting in the implementation and compliance of the Whistleblower Policy and shall include a person who is/are appointed to conduct detailed investigation. Please refer to **Annexure I** for details of Ethics Committee members
- 3.8. "**The Chairperson**" shall mean the Chairperson of the Audit Committee.

- 3.9. **“Secretary”** shall mean the Company Secretary of the Company or such other Employee nominated by the Chairman of the Audit Committee, from time to time.
- 3.10. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Companies Act, 2013 or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended.

#### **4. The Guiding Principles**

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

- 4.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so and there are no negative consequences/ retaliation for reporting reasonably suspected violations;
- 4.2 Treat victimization as a serious matter including initiating disciplinary action on such person/(s).
- 4.3 Ensure complete confidentiality.
- 4.4 Not attempt to conceal evidence of the Protected Disclosure;
- 4.5 Take disciplinary action, if anyone destroys or conceals evidence of the Protected Disclosures made/to be made;
- 4.6 Provide an opportunity of being heard to the persons involved especially to the Subject.

#### **5. Coverage of Policy**

- 5.1 The Policy covers malpractices and events which have taken place/suspected to take place involving\*:
- i. Abuse of authority
  - ii. Breach of contract
  - iii. Negligence causing substantial and specific danger to public health and safety.
  - iv. Manipulation of company data/records
  - v. Financial irregularities, including fraud, or suspected fraud, Claiming of False expenses in reimbursement, etc.
  - vi. Civil or Criminal offence
  - vii. Pilferage of confidential/propriety information
  - viii. Leak of unpublished price sensitive information
  - ix. Deliberate violation of law/regulation
  - x. Wastage/misappropriation of company funds/assets
  - xi. Breach of employee Code of Conduct or Rules
  - xii. Acceptance of kickbacks, Bribery or corruption.
  - xiii. Concurrent employment
  - xiv. Conflict of interest
  - xv. Insider trading
  - xvi. Social Media Misuse
  - xvii. Deliberate violation of applicable laws and regulations
  - xviii. Misuse of Price Sensitive Information.
  - xix. Any other unethical, biased, favored, imprudent event

\*Only indicative and not exhaustive list

5.2 The Whistle Blowing Mechanism should not be used for reporting of routine or operational matters like:

- Issues related to routine Human Resources (“HR”) matters, (e.g. denial of promotion or reassignment of duties).
- Sexual harassment – these complaints may be reported to Internal Committee directly under the Policy on Prevention of Sexual Harassment at Workplace.
- Issues related to compensation or reimbursement (e.g. reimbursement not credited on time)
- Issues related to career progression, transfer or deputation etc.
- IT assets not working properly (e.g. printers not working)
- Questioning the financial or other business decisions taken by the management
- Taxation related queries (e.g. excess tax deducted from salary)
- Recruitment or job openings (e.g. to know the job openings in the Company)
- Inappropriate administration facilities (e.g. tea or coffee machine in cafeteria)

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

## **6. Disqualifications**

6.1. 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 will warrant disciplinary action.

6.2. Protection under this Policy would not mean protection from 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.

6.3. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be malafide, frivolous or malicious, shall be liable to be prosecuted under the Company’s Code of Conduct.

6.4. Additionally, the Company reserves the right not to investigate in the following circumstances:

Complaints made without the following mandatory information.

- i. Name, designation and location of the Subject(s)
- ii. Detailed description of the incident
- iii. Location and time/duration of the incident
- iv. Specific evidences or source of evidences

## **7. Guidance for the Whistle Blower**

7.1. The Whistle Blower should consider the following points before or while reporting the Complaint:

- i. Should disclose identify by providing name, designation and email address.
- ii. Should attempt to report the Protected Disclosure immediately after the event has occurred without any lapse of time.
- iii. Should ensure that the Protected Disclosure reported is factual and not speculative in nature. Should ensure relevant data / proof is available.

- iv. Should ensure that the Protected Disclosure reported contains as much specific information, facts and evidence wherever possible to enable appropriate review, assessment and initiation of investigation.
- v. 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 Ethics Committee or Chairperson of the Audit Committee

## 8. Way concern can be raised

- 8.1. Whistle Blower can make Protected Disclosure to Ethics Committee, as soon as possible. Depending upon the seriousness of the matter, condonation of delay may be granted by the Ethics Committee on case to case basis.
- 8.2. Whistle Blower can write the Protected Disclosure at the below mentioned mail id [whistleblower@varroc.com](mailto:whistleblower@varroc.com). If a Protected Disclosure is received by any Executive(s) of the Company other than the Ethics Committee, the same should be forwarded to the Ethics Committee for further appropriate action.
- 8.3. Ethics Committee shall promptly forward the Protected Disclosure to all the members of Ethics Committee and Chairperson of the Audit Committee.
- 8.4. Whistle Blower must provide the following information at the time of making complaint:
  - i. Name, designation and location of the Subject(s)
  - ii. Detailed description of the incident
  - iii. Location and time/duration of the incident
  - iv. Specific evidences or source of evidences
- 8.5. If initial enquiries by the Ethics Committee indicate that the concern has no basis, or it is not a matter to be investigated or pursued under this Policy, it may be dismissed at this stage or redirected to the right forum. For e.g. – If complaint is related to sexual harassment, same will be forwarded to the Internal Complaints Committee and would be dealt as per Policy to Prevent Sexual Harassment at the Workplace. If complaint is related to a personal grievance, e.g. appraisal rating, promotion etc., it will be forwarded to the relevant Chief Human Resources Officer. In every case the decision of the Ethics Committee will be documented.
- 8.6. Where initial enquiries indicate that further investigation is necessary, this will be carried through Ethics Committee with utmost confidentiality. The Committee may at its discretion, consider involving internal people and/or people from an external agency specialized to investigate such cases, on a case to case basis. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.
- 8.7. If any of the members of the Ethics Committee has a conflict of interest in the Complaint matter (i.e. there is a possibility that his/her/their personal interests may not ensure fair enquiry), he/she/they will inform the Chairperson of the Audit Committee of the same, who may then appoint some other person(s) in his/ their place in the Ethics Committee.
- 8.8. Name of the Whistle Blower shall not be disclosed by the Ethics Committee. Similarly, in case the protected disclosure is received by any employee other than the ethics committee he/she shall be informed to maintain confidentiality by Ethics Committee.
- 8.9. The Ethics Committee shall:
  - i. Make a detailed written record of the Protected Disclosure. The record will include:

- ii. Facts of the matter.
- iii. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- iv. Whether any Protected Disclosure was raised previously against the same Subject;
- v. The financial/ otherwise loss which has been incurred / would have been incurred by the Company.

8.10. Findings of Ethics Committee;

- i. The Ethics Committee shall finalize and submit the report to the Chairperson of the Audit Committee and all members of the ethics committee within 45 days of or within such extended period as may be granted by Chairperson PROVIDED HOWEVER THAT such extension can only be granted on the basis of valid and strong reasons.
- ii. While finalizing of the Report, the Ethics committee shall consider the following:
  - a. Severity of the misconduct
  - b. Impact on the Organization (Reputation, Financial / Non – Financial)
  - c. Past record of the employee
  - d. Past precedence of treating similar violations (a summary of the same will be kept with CHRO)
- iii. On submission of investigation report, the Ethics Committee shall discuss the matter with Chairperson of the Audit Committee who shall either:
  - In case the Protected Disclosure is proved, accept the findings of the Ethics Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;
  - In case the Protected Disclosure is not proved, extinguish the matter / take disciplinary action as deemed necessary.

8.11. The Chairperson of the Audit Committee would oversee the investigations of Ethics Committee.

## 9. Protection

- 9.1. 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 Blower. Complete protection will, therefore, be given to the Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior 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.
- 9.2. 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.

9.3. The identity of the Whistle Blower shall be kept confidential. Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

## **10. Secrecy/Confidentiality**

10.1. The Whistle Blower, the Subject, the Ethics Committee and everyone involved in the process shall:

- i. Maintain complete confidentiality/ secrecy of the matter not discuss the matter in any informal/social gatherings/ meetings.
- ii. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations.
- iii. Not keep the papers unattended anywhere at any time.
- iv. Keep the electronic mails/files under password.
- v. If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

## **11. Reporting**

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

## **12. Role of Secretary under the Policy**

- i. To communicate and keep the communication records with the Whistle Blower, Ethics Committee and the Audit Committee of Varroc.
- ii. To prepare and retain the attendance and minutes of all the Ethics Committee meetings.
- iii. Ensure complete reports and records associated with disclosures under the Policy and any resulting investigations, reports or resulting actions are not disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.
- iv. All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by Varroc for a minimum period of 7 years.

## **13. Amendment**

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

Amended on 14/08/2020

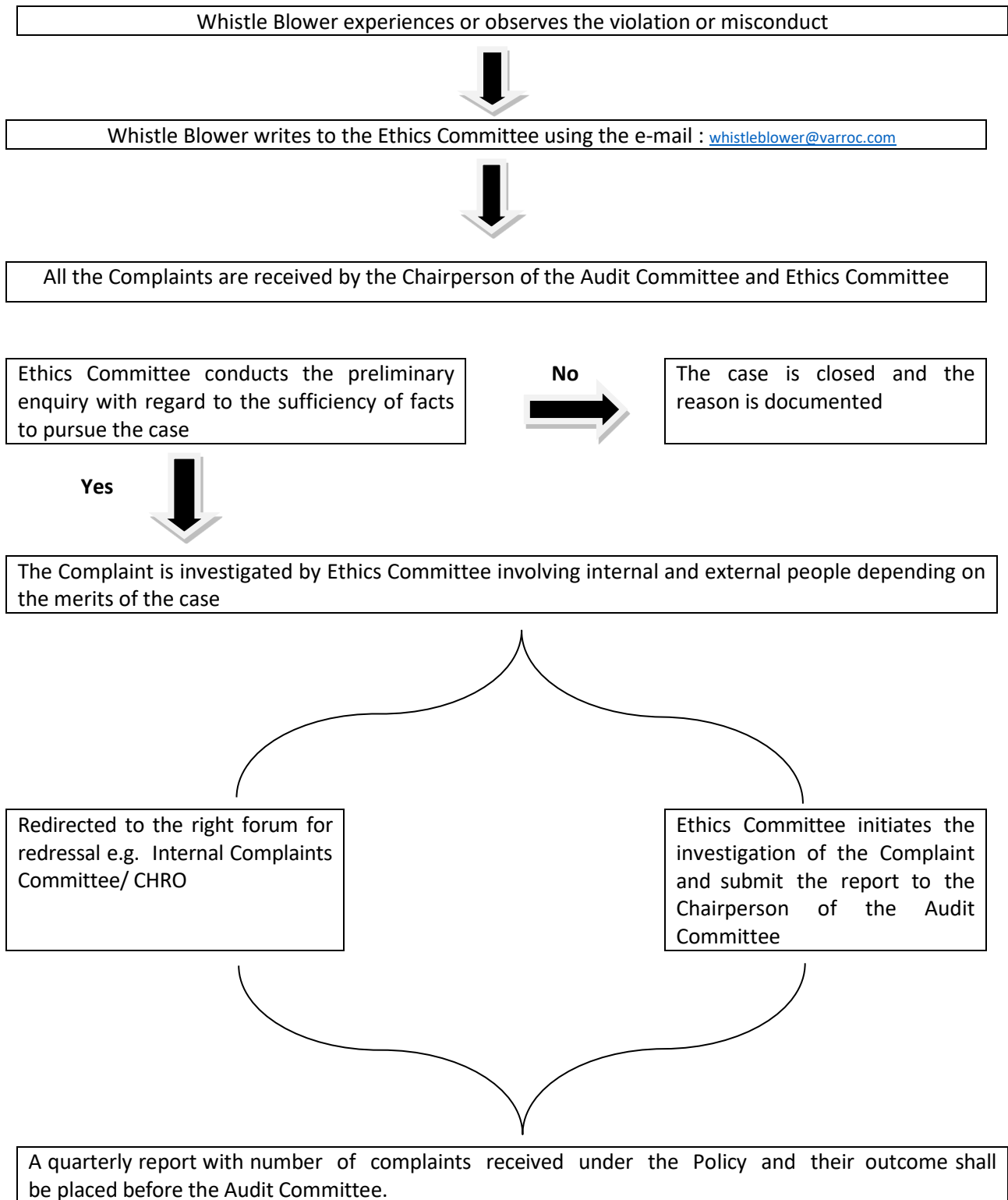
## **Annexure I**

### **Composition of the Ethics Committee**

1. Chief Executive Officer
2. Chief Financial Officer
3. Chief Human Resources Officer
4. Chief Internal Auditor
5. Company Secretary
6. Person who is/are involved to conduct detailed investigation on a case to case basis

**Annexure II**

**Sample workflow or procedure for reporting, resolving and closing a Whistle Blower Complaint**



**Amedned**