
WHISTLE BLOWER POLICY

[As approved by the Board of Directors on 24th September 2014 , amended on 22nd May 2018 and revised on 2nd May 2019 and on 5th February 2020]

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1. Preface

- 1.1 Sundaram-Clayton Limited (“SCL” or “Company”) has always been committed to conduct its affairs in a fair and transparent manner in accordance with applicable laws. In light of this, the Company has adopted the code of conduct and ethics (“Code”) which lays down the principles and standards for governing the actions of SCL and its directors and employees. Any actual or potential violation of them, howsoever insignificant or perceived as such, will be a matter of serious concern. Therefore, the role of directors and employees of SCL in pointing out such violations cannot be undermined.
- 1.2 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) inter alia requires a listed company to devise an effective whistle blower mechanism enabling the stakeholders including its individual employees and their representative bodies to freely communicate their concerns about illegal or unethical practices. Further, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) also requires a listed company to have a whistle blower policy and make employees aware of such policy to enable them to report instances of leakage/ suspected leakage of UPSI.
- 1.3 Accordingly, the Whistle Blower Policy of the Company (“Policy”) has been formulated and approved by the audit committee and the board of directors of the Company (“Board”) with a view to provide a mechanism for stakeholders of SCL to report their genuine concerns or grievances concerning violations of any legal, statutory or regulatory requirements.

2. Objective

- 2.1 SCL is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To adhere to these standards, SCL encourages all its stakeholders including its directors, employees, investors and customers, who have concerns about any suspected contravention or defiance or violation, to come forward and express these concerns, without fear of any punishment or unfair treatment.
- 2.2 The Policy aims to provide necessary safeguards for the protection of all its stakeholders from reprisals or victimization, for whistle blowing in good faith and to provide a means through which the stakeholders can raise actual or suspected violations. Hence, this Policy sets out ways through which the stakeholders of the Company can raise concerns that related to actual or suspected violations of the Code, any accounting/ audit matters and/ or violation of legal, statutory and/ or regulatory requirements such as incorrect or misrepresentation of any financial statements, reports, disclosures and/ or report instances of leakage/ suspected leakage of UPSI etc.

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 “**Act**” means the Companies Act, 2013, as amended from time to time, and any rules framed thereunder.
- 3.2 “**Audit Committee**” means the audit committee of the Board of SCL constituted in accordance with Section 177 of the Act and provisions under the Listing Regulations and, from time to time.
- 3.3 “**Board**” means the board of directors of SCL.
- 3.4 “**Code**” means the SCL Code of Conduct & Ethics as approved by the Board.
- 3.5 “**Director(s)**” means a director of the Board.
- 3.6 “**Delinquent**” means a person against or in relation to whom a Protected Disclosure, hereinafter defined, has been made or evidence gathered during the course of any investigation.
- 3.7 “**Investigator(s)**” means person(s) authorized, appointed, consulted or approached by the chairman of the Audit Committee.
- 3.8 “**Protected Disclosure(s)**” means any communication made in good faith that discloses or demonstrates information that may indicate any violation or unethical or improper activity in SCL.
- 3.9 “**UPSI**” means unpublished price sensitive information and shall have the same meaning as assigned to it under Regulation 2(1)(n) of the PIT Regulations.
- 3.10 “**Whistle blower(s)**” means SCL’s stakeholders including its employees or employee representative bodies, director(s), investors and customers/ vendors of the Company making a Protected Disclosure in terms of this Policy.

4. Scope

- 4.1 The Policy is applicable to all investors, employees (including permanent and on contract), directors, customers and suppliers/ vendors of the Company.
- 4.2 A Whistle blower’s role is that of a reporting party with reliable information that may form Protected Disclosure(s). The Whistle blower(s) is not required or expected to act as Investigator(s) or finder(s) of facts, nor would he/she determine the appropriate corrective or remedial action that may be warranted in a given case.
- 4.3 Protected Disclosure will be appropriately dealt with by the chairman of the Audit Committee or the Investigator(s), as the case may be, and the Whistle Blowers shall not act on their own in conducting any investigative activities, nor shall they have a

right to participate in any investigative activities other than as requested by the chairman of the Audit Committee or the Investigators.

The Policy covers malpractices and events which have taken place/ suspected to take place including but not limited to:

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud or suspected fraud or deliberate error in preparations of financial statements or misrepresentation of financial reports
6. Any unethical behaviour, actual or suspected fraud, unlawful act whether criminal or civil
7. Pilferage of confidential/propriety information
8. Deliberate violation of law/regulation
9. Wastage/misappropriation of company funds/assets
10. Indulging in sexual harassment
11. Breach of any policy of the Company or failure to implement or comply with any policies of the Company
12. Instances of leakage/ suspected leakage of USPI

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

- 4.4 Save as otherwise provided under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013, the occurrence of any event referred to in this Policy including those events mentioned in Clause 4.4 shall be reported to the chairman of the Audit Committee within a period of 30 (thirty) days of occurrence of such event.

All the Directors / senior management personnel of the Company are required to furnish annual certification for such reporting.

- 4.6 In case USPI is shared or leaked by any person in contravention of the provisions of the PIT Regulations and the code of conduct formulated by the Company in compliance with its obligations under the PIT Regulations ("Code of Conduct"), such instances should be reported immediately on occurrence of such event to the compliance officer / chairman of the Audit Committee .

Upon receipt of complaint relating to such leakage/suspected leakage of UPSI (as defined under the Code of Conduct), the same would be investigated in accordance with the procedure as detailed in the Company's Code of Conduct.

Such inquiry/investigation shall be promptly informed to the Securities and Exchange Board of India in compliance with requirements under the Code of Conduct and the PIT Regulations.

5. Eligibility

Various stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

1. Directors and employees (including permanent and on contract) of the Company;
2. Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company;
3. Customers of the Company; and
4. Investors/ shareholders of the Company.

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

6. The Guiding Principles

To ensure adherence to this Policy and provide assurance that serious action will be taken against the matters reported, the Company shall:

- 6.1 Ensure that the Whistle blower(s) and / or any other person processing the Protected Disclosure is not victimized for doing so;
- 6.2 Treat victimization of the Whistle blower(s) and / or any other person as a matter of serious concern and conduct a strict disciplinary action against the person(s) responsible for victimization;
- 6.3 Ensure complete confidentiality of the Protected Disclosure(s) made by the Whistle blower(s).
- 6.4 Not make an attempt to conceal any and all the evidence submitted along with or in relation to the Protected Disclosure(s);
- 6.5 Take strict disciplinary action against any person responsible for / assisting in destroying or concealing the evidence or making an attempt to destroy or conceal evidence; and
- 6.6 Provide a fair hearing to all the persons involved in the matter being investigated.

7. Anonymous Allegation(s)

Whistle blower(s) must put their names and contact details in their complaints as the Investigator(s) may have follow-up questions and queries which may not be possible unless the source of the information / Protected Disclosure(s) is identified. Any Protected Disclosure(s) expressed anonymously will ordinarily NOT be investigated.

8. Disqualifications

- 8.1 The Board shall ensure that genuine Whistle blower(s) be accorded a complete protection from any kind of unfair treatment and any abuse of such protection shall entail serious actions under the disciplinary policies of SCL as well as under the applicable law.
- 8.2 The Whistle blower(s) shall not be entitled to protection under this Policy in accordance with Clause 8.1 above in the event that the Whistle blower(s) wilfully makes false or bogus or mischievous allegation(s) knowing it / them to be false or bogus or mischievous or with a *mala fide* intention.
- 8.3 Any Protected Disclosure(s) that have been subsequently found to be made with *mala fide* intention(s) or Whistle blower(s) who has / have made more than 2 (two) Protected Disclosure(s) which, on investigation, have been found to be untrue, frivolous, baseless or reported otherwise than in good faith, shall be disqualified from reporting Protected Disclosure(s) in the future, under this Policy. However, the Company notes that some Protected Disclosure(s) may not result in any investigation or action at a later stage even though they were made in good faith. In such circumstances, no action would be initiated against the Whistle blower(s).

9. Procedures

- 9.1 All Protected Disclosure(s) reported under this Policy shall be addressed to the chairman of the Audit Committee for investigation. If the Protected Disclosure is addressed to any other officer or executive of SCL, such officer or executive shall forward the Protected Disclosure to the chairman of Audit Committee.
- 9.2 The Protected Disclosure(s) shall be reported in writing and should be written (in legible handwriting) or typed either in English or in the regional language of the place of employment of the Whistle blower(s). The contact details of the chairman of the Audit Committee are as under:

Chairman of Audit Committee

Sundaram-Clayton Limited
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam
Chennai - 600006 IN
E mail id: corpsec@scl.co.in

- 9.3 The Whistle blower(s) shall address the Protected Disclosure(s) under a covering letter which shall bear the identity of the Whistle blower(s).

- 9.4 The covering letter shall be detached by the chairman of the Audit Committee prior to sharing the same with the Investigator(s) for further investigation.
- 9.5 The Protected Disclosure(s) shall contain factual and specific details rather than speculative or conclusive information for proper assessment and investigation of the concern raised in the Protected Disclosure(s).

10. Investigation

- 10.1 All Protected Disclosure(s) reported under this Policy shall be investigated by the chairman of the Audit Committee. The chairman of the Audit Committee shall investigate / oversee the investigation pertaining to the Protected Disclosure(s) addressed to him under the authorization and supervision of the Audit Committee. 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.
- 10.2 The chairman of the Audit Committee may at his discretion, consider involving an Investigator(s) for the purpose of conducting investigation in relation to the Protected Disclosure(s) addressed to him. The decision to conduct an investigation by the chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support the conclusion of the Whistle blower that an improper or unethical act was committed .
- 10.3 The identity of the Delinquent and the Whistle blower(s) shall be kept confidential by the Audit Committee and any person involved in the investigation(s), to the extent possible, subject to applicable laws.
- 10.4 Delinquent shall be informed about the allegations and the ensuing investigation against them at the outset. Further, they shall be given an opportunity for providing their inputs during the investigation.
- 10.5 The Delinquent shall have a duty to co-operate with chairman of the Audit Committee or Investigator(s), if any, during investigation process to the extent that such co-operation will not compromise self-incrimination protections available under the applicable law.
- 10.6 The Delinquent shall have a right to consult any person(s) of their choice; however, such person(s) cannot be any Investigator(s) and / or members of the Audit Committee and / or the Whistle blower(s).
- 10.7 Delinquent shall be entitled to engage counsel of their choice, at their own cost, to represent them during the investigation proceedings. In the event that the allegations against the Delinquent are not sustainable and tenable, SCL may see a reason to reimburse such costs as long as they are not prohibitive under the Code.

- 10.8 Delinquent shall not interfere with the investigation being conducted by the chairman of the Audit Committee. Further, no evidence shall be withheld, destroyed or tampered and no witnesses shall be influenced, tutored, threatened or intimidated by the Delinquent or any other person, prior to or during the investigation process.
- 10.9 The chairman of the Audit Committee shall make best efforts to complete an investigation within 45 (forty five) days from the receipt of the Protected Disclosure(s).

11. Protection

- 11.1 No unfair treatment shall be meted out to a Whistle blower(s) for having reported a Protected Disclosure(s) under this Policy.
- 11.2 SCL, by way of policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice against the Whistle blower(s). SCL and its Board shall provide complete protection to the Whistle blower(s) against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion, coercive or distress action including any direct or indirect use of authority to obstruct the Whistle blower's right to continue to perform his official duties / functions including making further Protected Disclosure(s).
- 11.3 A Whistle blower may report any violation of the aforesaid provisions to the chairman of the Audit Committee. The chairman of the Audit Committee shall investigate the reported violation and recommend suitable action to the Board against person(s) found responsible for the violation of the aforesaid provisions.
- 11.4 The identity of the Whistle blower(s) shall be kept confidential to the extent possible and permitted under law. Any other employee of the Company/Director assisting the Investigation shall also be protected to the same extent as the Whistle blower.
- 11.5 Any employee of the Company/ Director(s) assisting in the investigation shall also be protected under the aforesaid provisions to the same extent as the Whistle blower(s) who made the Permitted Disclosure(s).

12. Investigator(s)

- 12.1 Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- 12.2 Technical and other resources may be drawn on as necessary to augment the investigation. The Investigator(s) shall be independent and unbiased, both in fact and as perceived. Investigator(s) has/ have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of legal and professional standards.
- 12.3 Investigations will be launched only after a preliminary review by the chairman of the Audit Committee, which establishes that:

- (a) The alleged act constitutes an improper or unethical activity or conduct
- (b) The allegation is supported by information specific enough to be investigation

12.4 In cases where the alleged act is not assessed to call for an investigation as an unethical act or misconduct or where the allegation is not support by specific information, the chairman of the Audit Committee may still decide to launch an investigation if he feels that the concerned matter is worthy of management review.

13. Decision

13.1 If an investigation leads the chairman of the Audit Committee to conclude that an improper or unethical act has been committed, he shall recommend to the Board or chairman and managing director to take such disciplinary or corrective action as he may deem fit given the circumstances of the case.

13.2 It is clarified that proceedings of disciplinary / corrective nature initiated against the Delinquent as a result of findings of an investigation pursuant to this Policy shall be subject to the procedures laid out in the Code and shall be adopted / followed for regulating the conduct of erring or Delinquent personnel / staff of SCL.

14. Reporting and Secrecy

14.1 The chairman of the Audit Committee shall submit a report to the Board on a regular basis about all Protected Disclosure(s) referred to him since the last report together with the results of investigations, if any.

14.2 The Whistle blower(s), the Delinquent, the chairman of the Audit Committee, the Investigator(s) and every person involved in the investigation process shall:

- (a) maintain complete confidentiality / secrecy of the matter being investigated;
- (b) not discuss the matter being investigated in any informal / social gatherings / meetings;
- (c) discuss only to the extent or with the persons required for the purpose of completing the investigation process;
- (d) not leave any papers pertaining to the investigation unattended at any time; and
- (e) keep the electronic mails / files relating to the matter under password protection

If any person is found to be in violation of this clause, he / she shall be held liable for such disciplinary action as considered fit by the Board.

15. Retention of Documents pertaining to Whistle Blower Policy

All Protected Disclosure(s) along with other supporting documents and results of investigation relating thereto shall be preserved by SCL for a minimum period of 8 (eight) years from the date of the result / outcome of such investigation(s) pertaining to such Protected Disclosure, in accordance with the Company's policy for preservation / archival of documents.

16. Amendment / Modification

SCL reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. On any amendment of the Policy, the same will be notified by the Board to the employees of the Company in writing and published on the Company's website.

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