

# **CIE Automotive India Limited**

## **Whistle Blower Policy**

<b>Name of the Document</b>	Whistle Blower Policy
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<b>Approving Authority</b>	Board of Directors
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## WHISTLE BLOWER POLICY

The Whistle Blower Policy come into effect from 29<sup>th</sup> April, 2014 has been revised w.e.f. 6<sup>th</sup> May, 2019 to align with the provisions of the Companies Act, 2013 and Rules made thereunder, SEBI (Listing Obligations and Disclosure Regulations) 2015 and SEBI(Prohibition of Insider Trading) Regulations, 2015.

### 1. Preface

CIE Automotive India Limited (**“the Company”**) is committed to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty and integrity. Towards this end, the Company has adopted a Code of Conduct for Directors, Senior Management Personnel and all Employees of the Company (referred to as **“Code”** or **“the Code”**) and various Policies on Environment & Health, Human Resources, policies under Insider Trading Regulations etc. (collectively referred to as **“Policies”**) which lays down the principles and standards that should govern the actions of the Company. Any actual or potential violation of the Code/Policies, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors/Employees in pointing out such violations of the Code/Policies cannot be undermined.

SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (**“LODR”**) inter alia provides for all listed companies to devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

Further, the LODR and the Companies Act, 2013 also provides for all listed companies to establish a vigil mechanism for the directors and employees to report their genuine concerns.

Accordingly, this Whistle Blower Policy (**“the Policy”** or **“this Policy”**) has been formulated with a view to provide a mechanism for Directors, Employees and their representative bodies and all stakeholders of the Company to approach the Chief Ethics Officer of the Company or Chairperson of the Audit Committee of the Company or utilize ‘Ethical Channels’ enabled for all group companies of CIE Automotive, S.A. (hereinafter **“CIE”**).

**Vigil Mechanism:** The Vigil Mechanism as envisaged in the Companies Act, 2013 (**“the Act”**) and LODR is implemented through the Whistle Blower Policy which also provides adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

## 2. Definitions

The definitions of the key terms used in this Policy are given below. *[Terms not defined herein below shall have the meaning assigned to them under the Codes/Policies.]*

- a) **“Act”** means the Companies Act, 2013 read with Rules made thereunder as amended from time to time
- b) **“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 Regulation 18 of LODR.
- c) **“Chief Ethics Officer”** shall be an Officer of the Company appointed by the Board of Directors of the Company as Chief Ethics Officer
- d) **“Code of Conduct”** means the Code of Conduct for Directors, Senior Management and Employees.
- e) **“Corporate Governance Policies”** or **“Policies”** means Policies inter alia including Environment & Health, Human Resources, Insider Trading, Quality, Investor Relations, etc. framed by the Company from time to time.
- f) **“Director”** means a Director appointed to the Board of Directors of the Company.
- g) **“Employee”** means every Employee of the Company (whether working in India or Abroad), including the directors in the whole-time employment of the Company.
- h) **“Frivolous Complaint”** means any complaint which is registered or attempted to be registered under this Policy with no evidence or on hearsay basis or with malafide intentions against the Subject, arising out of false or bogus allegations.
- i) **“LODR”** means SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended from time to time.
- j) **“PIT Regulations”** means SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
- k) **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical behavior, actual or suspected fraud or violation of the Company’s Codes or Policies.

- l) **“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.
- m) **“Whistle Blower”** means a Director, an Employee, Employee’s representative bodies, customer, vendor, supplier or any other stakeholder of the Company making a Protected Disclosure under this Policy.
- n) **“Unpublished Price Sensitive Information”** is as defined under Regulation 2(1)(n) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Company’s ‘Policy for Inquiry in case of Leak of Unpublished Price Sensitive Information’.

### 3. Eligibility

All stakeholders of the Company including the Directors, Employees of the Company and their representative bodies are eligible to make Protected Disclosures under the Policy.

### 4. Scope

A Whistle-blower can make a Protected Disclosure related to the below mentioned issues under this Policy:

- I. Fraudulent encashment through forged instruments, manipulation of books of accounts or any other accounting or auditing irregularities or misrepresentations.
- II. Misappropriation and criminal breach of trust.
- III. Asset Misappropriation, involving:
  - i. Theft.
  - ii. Fraudulent disbursements.
  - iii. Ghost employees.
  - iv. Cheque tampering.
  - v. Overstated or fictitious expenses.
  - vi. Teeming and lading.
- IV. Bribery and kickbacks
- V. Violation of applicable laws or regulations or of the Code of Conduct.
- VI. Antitrust or insider trading violations including instances of leak of unpublished price sensitive information in terms of PIT Regulations.
- VII. Any other type of fraud not coming under the specific heads as above.

Career related or other personal grievances are not a part of the scope of this policy.

## 5. Role of Whistle Blower

- a. The Whistle Blower's role is that of a reporting party with reliable information. 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.
- b. 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 Chief Ethics Officer of the Company or Chairperson of the Audit Committee or the Investigators.
- c. Protected Disclosures will be appropriately dealt with by the Chief Ethics Officer of the Company or Chairperson of the Audit Committee as the case may be.

## 6. Submission of Protected Disclosures

- I. The protected disclosure can be made through the ethical channel available for all group companies of CIE in following manner:
  - i. by submitting 'online ethical channel for
  - ii. m' available at the following link:  
<https://www.cieautomotive.com/en/web/guest/ethical-channel>
  - iii. through email addressed to [whistleblowerchannel@cieautomotive.com](mailto:whistleblowerchannel@cieautomotive.com)
  - iv. by post sent to the 'Chief Compliance Officer', Compliance Department, at the following address:  
  
*CIE Automotive Global Headquarters: Alameda Mazarredo 69, 8th floor Zip Code: 48009 Bilbao (Vizcaya), Spain.*
- II. Whistle Blower can make a Protected Disclosures addressing the same to the 'Chief Ethics Officer' of the Company:
  - i. through email sent at: [whistleblowerchannel@cie-india.com](mailto:whistleblowerchannel@cie-india.com)
  - ii. through post/courier sent to registered office of the Company at  
G Block, Bhosari Industrial Estate, Near BSNL office, Bhosari, Pune - 411026, Maharashtra, India

*III.* The Protected Disclosure can be directly sent to the “Chairperson of the Audit Committee”:

through post/courier sent to registered office of the Company at:

- i. G Block, Bhosari Industrial Estate, Near BSNL office, Bhosari, Pune - 411026, Maharashtra, India through email sent at: [chairpersonofauditcommittee@cie-india.com](mailto:chairpersonofauditcommittee@cie-india.com)

*IV.* If a protected disclosure is received by any Executive(s) of the Company other than Chief Ethics Officer of the Company or Chairperson of the Audit Committee, the same should be forwarded to the Chief Ethics Officer for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower(s) confidential.

*V.* Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issue raised, by types in English or Hindi. However, complaints received orally may also be admitted for processing.

*VI.* The Protected Disclosure should be forwarded under a covering letter that may be anonymous.

*VII.* The Chief Ethics Officer of the company or Chairperson of the Audit Committee, as the case maybe, shall detach the covering letter and forward only the Protected Disclosure to the Investigator for investigation, if required.

*VIII.* Protected Disclosure 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 concern.

## **7. Procedure for Investigation / Inquiry:**

### **I. In case the protected disclosure is submitted to the ‘Chief Compliance Officer’ through ethical channel available for all CIE Group companies**

In case of instance(s) reported through the ethical channel available for all group companies of CIE, the investigation process mentioned in the CIE’s Ethical Channel Regulation shall be followed. CIE’s Ethical Channel Regulation is available on the website of CIE at <https://www.cieautomotive.com/en/web/guest/ethical-channel>

## **II. In case the Protected Disclosure is received by the ‘Chief Ethics Officer’ or the ‘Chairperson of the Audit Committee’**

### **a. Preliminary Inquiry:**

The object of preliminary inquiry is to ascertain the truth or otherwise of the allegations contained in the Protected Disclosure and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to initiate further investigation/inquiry.

The preliminary inquiry shall be completed within 15 working days or such extended period as may be approved by the ‘Chairperson of the Audit Committee’, from the date of receipt of the Protected Disclosure and report thereof shall be submitted to the ‘Chairperson of the Audit Committee’.

### **b. Further Investigation**

If in the opinion of the ‘Chairperson of the Audit Committee’ and/or ‘Chief Ethics Officer’, the preliminary inquiry report or other facts in their possession warrant further investigation, then they may

- i. Constitute an Inquiry Committee which may consist of the following persons or any person as they may deem fit –
  - Chief Financial Officer
  - Chief Investors Relations Officer
  - Chief Compliance Officer
  - Head of Information Security
  - Head of Human Resources

While selecting members of the Inquiry Committee due care should be taken for any direct or indirect conflict of interest. Before commencement of any inquiry under this Policy, each member of the Inquiry Committee will confirm to the Chairperson of the Audit Committee that he/she has no direct or indirect conflict of interest in conducting the inquiry in the concerned matter.

After constitution of the Inquiry Committee if any member is found to have any conflict of interest in any given case, then he/she should recuse himself/herself and other members of Inquiry Committee should deal with the matter on hand.

- ii. at their discretion, consider involving any internal or external Investigators for the purpose of investigation, depending upon the circumstances or severity of the

Protected Disclosure.

The 'Inquiry Committee' and/or internal or external Investigators shall hereinafter referred to as "**Investigators**".

The identity of the Subject and the Whistle-blower should be kept confidential to facilitate effective conduct of the investigation, to the extent possible given the legitimate needs of law and the investigation.

Decision to conduct further investigation is by itself not an accusation and should be treated as a neutral fact-finding process. The outcome of the investigation may or may not conclude that an improper or unethical act was committed.

## **8. Investigators**

Investigators are required to conduct investigation as a fact-finding process. Investigators shall derive their authority and access rights from 'Chairperson of the Audit Committee' and/or the 'Chief Ethics Officer' when acting within the course and scope of their investigation.

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 behaviour and observance of legal and professional standards.

The Further Investigation shall normally be completed within 90 working days and the Investigation Report shall be submitted to the Chairperson of the Audit Committee.

## **9. Rights and Obligations of the Subject**

- a) The Subject shall-
  - Co-operate with the Investigators during the investigation process.
  - Provide all information, as may be required by the Investigators.
- b) The Subject(s) has the 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.
- c) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in investigation report.
- d) No representative of the Whistle-blower, whether legal or otherwise would be permitted

to attend the investigation. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is credible evidence in support of the allegation.

#### **10. Decision**

If an investigation leads the 'Chairperson of the Audit Committee' and/or the 'Chief Ethics Officer' to conclude that an illegal or unethical behaviour, fraud or violation of the Company's Codes or CG Policies or any improper activity has taken place or has been committed, they shall recommend to the management of the Company to take disciplinary or corrective action as they may deem fit.

#### **11. Reporting**

A report with number of complaints received under this Policy and their outcome shall be placed before the Audit Committee on a half yearly or on case to case basis.

#### **12. Protection**

- a) No unfair treatment would be meted out to a Whistle-blower(s) 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 the Whistle-blower(s). Complete protection would, therefore, be given to the Whistle-blower(s) against any unfair practice like retaliation, threat or intimidation of termination or suspension of service, transfer, demotion, refusal of promotion etc., including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his duties or functions including making further Protected Disclosure. Subsequently, the Company would take steps to minimize difficulties, which the Whistleblower(s) may experience as a result of making the Protected Disclosure. The Whistle-blower will be provided protection during the course of investigation and protection will not be extended if the allegation is proved to be false or frivolous.
- b) While it would be ensured that Whistle-blower(s) are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection would warrant disciplinary action.
- c) Any other Director or Employee assisting in the said investigation shall also be protected to the same extent as the Whistle-blower(s).
- d) The identity of the Whistle-blower(s) shall be kept confidential unless otherwise required by law, in which case the Whistle-blower(s) would be informed accordingly.
- e) A Whistle-blower(s) may report any violation of the above clause to the Chief Ethics Officer, who shall investigate the same and recommend suitable action to the management.

- f) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle-blower(s) knowing it to be false or bogus or with a mala fide intention.
- g) In case of repeated frivolous Protected Disclosures made by the Whistleblower, the Chief Ethics Officer or the Audit Committee reserves the right to take appropriate disciplinary action against the Whistle-blower including reprimand or suspension or disqualifying such person from reporting further Protected Disclosures under this Policy.

### **13. 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 provided that the personal data can be maximum kept for two months since the 'protected disclosure' has been archived.

### **14. 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 would be binding on the Directors/Employees unless the same is notified to the Directors / Employees.

### **15. Annual Affirmation**

The Company shall annually affirm that it has not denied any personal access to the Audit Committee and that it has provided protection to whistle blower(s) from adverse personal action, wherever applicable. The affirmation shall form a part of the Corporate Governance Report as part of the Annual Report of the Company.

### **16. Roles & Responsibilities**

#### **Stakeholders:**

1. Stakeholders must bring to attention of the company any improper practice they may be aware of at the earliest based on sufficient cause for concern.
2. Co-operate with investigating authorities, while maintaining full confidentiality.
3. Intent of this policy is to bring genuine and serious issues to the forefront and is not intended for petty complaints. Malicious allegations can result in disciplinary action.
4. A whistle blower has the right to protect from retaliation however this does not

extend to immunity for complicity in the matters that are the subject of the allegations and investigations.

5. In event of exceptional cases, where the whistle blower is not satisfied with the outcome of the investigation carried by the Chief Ethics Officer / the Investigators, he/she can make a direct appeal to the Chairperson of the Audit Committee.

**Chief Ethics Officer:**

1. Ensure that the policy is being implemented and communicated to all stakeholders
2. Ascertain prima facie the credibility of the charge. If initial enquiry indicated further investigation is not required, close the issue.
3. Documentation of the initial enquiry.
4. Where further investigation is indicated, carry this through the Investigators ensuring confidentiality is maintained at all times.
5. Acknowledge receipt of concern to the complainant.
6. Ensure that necessary safeguards are provided to the complainant.

**Investigators:**

1. Conduct the enquiry in a fair and unbiased manner.
2. Ensure complete fact-finding.
3. Maintain strict confidentiality at all times.
4. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom.
5. Recommend an appropriate course of action and suggest disciplinary action, including dismissal and preventive measures.
6. Record minutes of the deliberations and document the final report.
7. Submit the Final Report to the Chief Ethics Officer & the Chairperson of Audit Committee.

**CEO and Executive Director(s):**

1. Ensure necessary implementation of recommendations of the Chief Ethics Officer and the Chairperson of Audit Committee is executed.
2. Provide Full Cooperation to the investigation team.
3. Be informed of the outcome of the investigation.
4. Accept the decision of the Chief Ethics Officer and the Chairperson of Audit Committee.
5. Maintain strict confidentiality.

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### Version History

<b>Version</b>	<b>Date of Amendment</b>	<b>Change &amp; Reason for change</b>
Version 1	29 <sup>th</sup> April, 2014	Amendment to the Vigil Mechanism in order to align the same pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015 as amended from time to time.
Version 2	6 <sup>th</sup> May, 2019	<p>The Policy was amended in line with the amendments brought in through SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, enabling employees to report insider trading violations as well as reporting of instances of leak of unpublished price sensitive information.</p> <p>The amended policy also enables the stakeholders to utilize the 'Ethical Channels' enabled for all group companies of CIE Automotive, S.A. to voice their concerns.</p>