

MENON PISTONS LIMITED

Governance Series

Vigil Mechanism / Whistle Blower Policy

[Under section 177 of the Companies Act, 2013 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

❖ PREFACE

Section 177 of the Companies Act, 2013 read with Rules framed there under, inter-alia, and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") requires the listed entity shall formulate a vigil mechanism for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of company's Code of Conduct or ethics policy.

The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

❖ OVERVIEW

Menon Pistons Limited (along with all of its subsidiaries and affiliates herein after referred to as "Company") is committed to the highest standards of personal, ethical & legal conduct for achieving business. Ensuring ethical & legal standards are complied with are the responsibility of every employee and is reflected in our relationship with internal and external stakeholders. Accordingly, it is essential for each employee to exhibit responsible & ethical business behaviors in all transactions / engagements with both internal and external stakeholders. In this context, the Company encourages and supports employees / whistleblowers to make disclosures of any such suspected instances of unethical / improper behavior and intends to provide a mechanism through the Whistle Blower Policy ("Policy") to channelize reporting of such instances / complaints and their resolution in order to ensure proper governance.

❖ OBJECTIVE

This Policy aims to ensure that concerns are properly raised, appropriately investigated and addressed by attempting to:

- Define the events that trigger a whistle blower complaint and define the process of lodging a complaint
- Define the various committees/teams and their roles in implementing this Policy
- Outline the process of investigation and review
- Outline measures to protect disclosing employees against reprisal or recriminatory action within the company

❖ SCOPE

The policy intends to cover information on suspected unethical and improper practices or wrongful conduct, listed below, which the reporting Director or employee, in good faith believes to exist:

- a. Manipulation of Company data / records stored physically or electronically
- b. Abuse of authority
- c. Leaking confidential or proprietary information
- d. Violation of any law or regulations
- e. Gross wastage or misappropriation of Company resources
- f. Violation of Code of Conduct
- g. Forgery or alteration of documents
- h. Corruption/Bribery
- i. Any other unethical, biased, favoured, imprudent event
- j. Misappropriation of funds and assets
- k. Financial Statement Fraud
- l. Instances of leak of Unpublished Price Sensitive Information ("UPSI")

The above list is only illustrative and should not be considered as exhaustive

❖ **WHISTLE BLOWER COMMITTEE**

In accordance with sub-section (9) of Section 177 read with Section Rule 7(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company's Audit Committee is required to oversee the vigil mechanism.

Accordingly, the Audit Committee constituted by the Board of Directors in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be construed as the 'Whistle Blower Committee'.

❖ **COMPLAINT/DISCLOSURE**

1. Any Director or employee of the Company shall report to the Whistle Blower Committee, any actual or suspected fraud, concerns about unethical behaviour, improper practice(s) or wrongful conduct he/she becomes aware of, that could affect the business or reputation of the Company.
2. A Director or an employee may make a complaint/disclosure in writing or by electronic mail containing full particulars, accompanied by supporting documents, or other materials, if any.
3. The Director or employee shall make the complaint/disclosure as soon as possible but not later than 3 months' of becoming aware of the same.
4. Every complaint/disclosure shall be made in good faith and the person making such complaint/disclosure shall make a personal declaration stating that he/she reasonably believes that the information disclosed by him and allegation contained therein is substantially true.
5. No action shall be taken on the complaint/disclosure, if the disclosure does not indicate the identity of the complainant/person making disclosure or the identity of the complainant/person making disclosure is found to be incorrect or false.

❖ **REPORTING AUTHORITY**

1. Complaints/Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company.
2. Complaints/Disclosures concerning personnel belonging to levels of Senior General Manager and above should be addressed to the Chairman of the Audit Committee of the Company.
3. Complaints/Disclosures concerning other employees should be addressed to the Company Secretary of the Company.
4. If the complaint/disclosure is received by any executive of the Company, other than the Chairman of Audit Committee or the Company Secretary, as the case may be, it shall be the responsibility of the executive to forward the same to the Chairman of the Audit Committee or the Company Secretary.

❖ **INVESTIGATION**

1. In case of complaints/disclosure pertaining to financial / accounting matters or concerns regarding personnel belonging to levels above Senior General Manager, the Audit Committee shall appoint one or more than one 'Whistle Officer(s)' to investigate the matter.
2. The Audit Committee shall appoint the 'Whistle Officer(s)' within 15 days of receipt of the complaint /disclosure.

3. In case of complaints /disclosure pertaining to other employees, the Company Secretary shall himself act as an investigator.
4. It shall be the duty of the Audit Committee to take appropriate care to keep the identity of the Whistle Blower confidential and forward only the complaint/disclosure for investigation.
5. The Whistle Officer or the Company Secretary shall make discreet inquiry at first, to ascertain whether there is any basis for proceeding further to investigate the disclosure.
6. If the Whistle Officer or the Company Secretary as a result of the discreet inquiry, or on the basis of the disclosure itself without any inquiry, is of the opinion that the disclosure requires to be investigated, it shall seek comments or explanation or report from the concerned.
7. A detailed written report on the findings of the investigation shall be forward to the Chairman of the Audit Committee by the Whistle Officer(s), within 1 month of being appointed and the Company Secretary, within 1 month of receipt of the complaint.
8. The report shall include the following details:
 - a. Facts of the matter;
 - b. Whether the same complaint/disclosure was raised previously by anyone, and if so, the outcome thereof;
 - c. Whether any complaint/disclosure was raised previously against the same personnel;
 - d. Financial/ otherwise loss which has been incurred / would have been incurred by the Company;
 - e. Findings;
 - f. Recommendations.
9. On receipt of the report, the Audit Committee shall discuss and take the following steps:
 - a. In case, the complaint/disclosure is proved, initiate proceedings against the concerned; take appropriate administrative steps; recommend to appropriate authority for initiation of criminal/civil proceedings under the relevant laws for the time being in force; take corrective/remedial measures. Further, also cater for preventive measures to avoid such reoccurrence.
 - b. In case the complaint/disclosure is not proved, extinguish the matter;
 - c. In case of matters of serious implications for the Company, forward the matter to the Board of Directors with its recommendations. The Board may decide the matter as it deems fit.
10. The Audit Committee shall within two months of receipt of the complaint/disclosure send a written reply to the Director or employee giving details of the action taken.
11. If any of the members of the committee have a conflict of interest in a given case, they shall excuse themselves from the discussion and the others on the committee would deal with the matter on hand.

❖ PROTECTION

1. No unfair treatment shall be meted out to the Director or employee by virtue of his/her having made the complaint/disclosure under this Policy.
2. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against the Director or employee making the complaint/disclosure.
3. The Audit Committee shall ensure that complete protection is extended to the Director/employee making the complaint/disclosure, 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 behaviour or the like including any direct or indirect use of authority to obstruct the Director's or employee's right to continue to perform his duties/functions including making further complaint/ disclosure.

4. The Audit Committee shall take steps to minimize difficulties, which the Director or employee may experience as a result of making the complaint / disclosure.
5. If the Director or employee making the complaint/disclosure is required to give evidence in criminal or disciplinary proceedings, the Audit Committee shall arrange for the Director or employee to receive professional advice about the procedure.
6. The identity of the Director or employee shall be kept confidential at all times.
7. Any other employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Director or employee making the complaint or disclosure.
8. The Director or employee making the complaint/disclosure, the Chairman and members of the Audit Committee, Whistle Officer(s), Company Secretary and everyone involved in the process shall:
 - a. Maintain complete confidentiality of the matter and the identity of the Whistleblower;
 - b. Not discuss the matter in any informal/social gatherings/ meetings;
 - c. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations;
 - d. Not keep the papers unattended anywhere at any time;
 - e. Keep the electronic mails/files under password.

❖ **REPORTING**

An annual report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

❖ **DISQUALIFICATIONS**

1. The Directors and employees are forewarned that the vigil mechanism should not be used as means for raising malicious or unfounded allegations against colleagues.
2. In case of repeated frivolous complaints being filed by a Director or an employee, the Audit Committee or the Director nominated to play the role of Audit Committee may take suitable action against the concerned Director or employee including reprimand.
3. Director or employees, who make any complaints/disclosures, which have been subsequently found to be mala fide, frivolous or malicious shall be liable to be prosecuted.

❖ **AMENDMENT**

The Independent Directors have the right to amend or modify this Policy in whole or in part, at any time. Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time as this Policy is changed to conform to the law, rule, regulation or standard.